

Requires c-3-r  
request as per

Jennifer Head 2-15-83  
(307) 382-9191

Form

2/17/83

Discussion w/ Jennifer Head;  
Section 10 is located on  
Utah-Colo. boundary and  
the east portion of all  
sections in township are  
not full size; therefore  
distances from subdivision lines  
of  $\frac{1}{4}$  would be within  
500' tolerance.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)

5. Lease Designation and Serial No.  
Fee

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No.

10. Field and Pool, or Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area

12. County or Parrish 13. State

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

2. Name of Operator

Celsius Energy Company

3. Address of Operator

P. O. Box 458, Rock Springs, Wyoming 82901

4. Location of Well (Report location clearly and in accordance with any State requirements.)  
At surface

SW NE 1820' FNL, 1800' FEL

*irregular section*

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office\*

Approximately 25 miles southwest of Dove Creek, Colorado

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

500'

16. No. of acres in lease

600.54

17. No. of acres assigned to this well

N/A

18. Distance from proposed location\* to nearest well, drilling, completed, or applied for, on this lease, ft.

N/A

19. Proposed depth

6,380

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

GR 6625' as graded

22. Approx. date work will start\*

Upon approval

23.

PROPOSED CASING AND CEMENTING PROGRAM

| Size of Hole | Size of Casing | Weight per Foot | Setting Depth | Quantity of Cement               |
|--------------|----------------|-----------------|---------------|----------------------------------|
| 12-1/4       | 9-5/8          | 36              | 2,000         | 1100 sx w/2% CaCl & 1/4# flocele |
| 8-3/4        | 7              | 23              | 6,380         | To be determined                 |

See attached drilling plan.

RECEIVED  
FEB 14 1983

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 2/11/83  
BY: [Signature]

DIVISION OF  
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed A. J. Maser Title Drilling Superintendent Date Feb. 11, 1983

(This space for Federal or State office use)

Permit No. \_\_\_\_\_ Approval Date \_\_\_\_\_

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Drilling Plan  
Celsius Energy Company  
Ucolo Well No. 2  
San Juan County, Utah

1. SURFACE FORMATION: Morrison
2. ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS:

|      |                           |        |                |
|------|---------------------------|--------|----------------|
| & 3. | Entrada                   | 1,070' |                |
|      | Carmel                    | 1,205' |                |
|      | Navajo                    | 1,255' | - fresh water  |
|      | Chinle                    | 1,885' |                |
|      | Shinarump                 | 2,660' |                |
|      | Cutler                    | 2,890' |                |
|      | Honaker Trail             | 4,580' | - possible gas |
|      | Paradox                   | 5,305' |                |
|      | Ismay (base 2nd shale)    | 5,985' | - possible gas |
|      | Ismay Shale               | 6,035' |                |
|      | B Zone Shale              | 6,170' |                |
|      | Desert Creek              | 6,230' |                |
|      | Lower Bench, Desert Creek | 6,280' |                |
|      | Desert Creek Porosity     | 6,290' | - possible oil |
|      | Salt                      | 6,375' |                |

4. CASING PROGRAM:

| <u>Footage</u> | <u>Size</u> | <u>Grade</u> | <u>Wt.</u> | <u>Condition</u> | <u>Thread</u> | <u>Cement</u>                    |
|----------------|-------------|--------------|------------|------------------|---------------|----------------------------------|
| 2,000'         | 9-5/8       | K-55         | 36         | New              | 8rd, ST&C     | 1100 sx w/2% CaCl & 1/4# flocele |
| 6,380'         | 7           | K-55         | 23         | New              | 8rd, LT&C     | To be determined                 |

5. PRESSURE CONTROL EQUIPMENT: See attached diagram. Operator's minimum specifications for pressure control equipment requires a 10-inch 3000 psi double gate blowout preventer. Surface casing and all preventer rams will be pressure tested to 2500 psi for 15 minutes using rig pump and mud. BOP's will be checked daily as to mechanical operating condition and will be tested by rig equipment after each string of casing is run. All ram type preventers will have hand wheels which will be operative at the time the preventers are installed.
  6. MUD PROGRAM: Gel water base mud from surface to total depth. Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite.
  7. AUXILIARY EQUIPMENT:
    - A. Manually operated kelly cock.
    - B. No floats at bit.
    - C. Monitoring of mud system will be visual.
    - D. Full opening floor valve manually operated.
  8. LOGGING: DIL-SFL and CNL/FDC from surface to total depth.  
TESTING: 3 DST's in Honaker Trail, 1 DST each in Ismay and Desert Creek.  
CORING: Desert Creek Porosity from 6280' to 6340'.
  9. ABNORMAL PRESSURE AND TEMPERATURE: Pressures of 3600 to 3700 psi expected in Desert Creek Porosity; BHT of approximately 140°F.
  10. ANTICIPATED STARTING DATE: Upon approval.
- DURATION OF OPERATION: 23 days.

CHECKLIST 3000psi EQUIPMENT

Contractor and operator to furnish items specified in

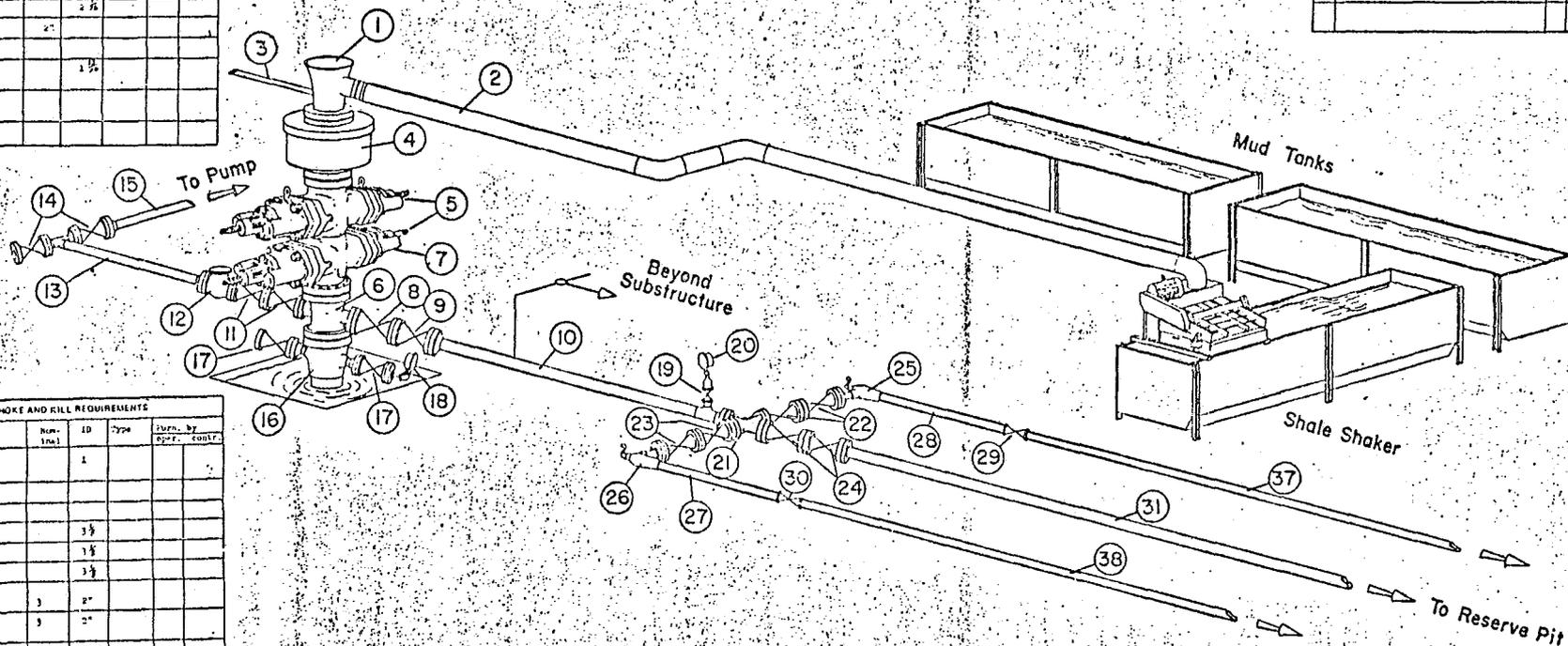
| STANDARD STACK REQUIREMENTS |   |        |    |                               |            |
|-----------------------------|---|--------|----|-------------------------------|------------|
| No.                         | Item  | QTY    | ID | Type                          | Turn. by   |
| 1                           | Drilling Riddle   | 1      |    |                               | Sp. Equip. |
| 2                           | Flowline  |        |    |                               |            |
| 3                           | Fill up line  | 2"     |    |                               |            |
| 4                           | Annular Preventer   |        |    | Hydril<br>Excesson<br>Shifter |            |
| 5                           | Two single or one dual<br>non-oper. rags                                  |        |    | U. Q.S.<br>R. 100             |            |
| 6                           | Drilling Spool with 2"<br>and 3" outlets                                  |        |    | Forged                        |            |
| 7                           | As Assemble to (6)<br>Run and Kill lines<br>from outlets in this<br>rags. |        |    |                               |            |
| 8                           | Valve Gate  | 3 1/2" |    |                               |            |
| 9                           | Valve-Hydraulically<br>operated gate                                      | 3 1/2" |    |                               |            |
| 10                          | Choke line  | 2.9"   |    |                               |            |
| 11                          | Gate Valve  | 2 1/2" |    |                               |            |
| 12                          | Check Valve   | 2 1/2" |    |                               |            |
| 13                          | Kill line   | 2"     |    |                               |            |
| 14                          | Valve-gate  | 2 1/2" |    |                               |            |
| 15                          | Kill line to Pump   | 2"     |    |                               |            |
| 16                          | Casing Head   |        |    |                               |            |
| 17                          | Valve Gate<br>Plug  | 1 1/2" |    |                               |            |
| 18                          | Compound Pressure<br>Gauge  |        |    |                               |            |
| 19                          | Wear Bushing  |        |    |                               |            |

# MOUNTAIN FUEL SUPPLY COMPANY

## 3000 psi BLOWOUT PREVENTION EQUIPMENT

| SPECIAL CHOKE AND KILL REQUIREMENTS |  |  |  |  |  |
|-------------------------------------|--|--|--|--|--|
|                                     |  |  |  |  |  |
|                                     |  |  |  |  |  |
|                                     |  |  |  |  |  |
|                                     |  |  |  |  |  |
|                                     |  |  |  |  |  |

| SPECIAL STACK REQUIREMENTS |  |  |  |  |  |
|----------------------------|--|--|--|--|--|
|                            |  |  |  |  |  |
|                            |  |  |  |  |  |
|                            |  |  |  |  |  |
|                            |  |  |  |  |  |
|                            |  |  |  |  |  |
|                            |  |  |  |  |  |



| STANDARD CHOKE AND KILL REQUIREMENTS |                                 |          |        |      |            |
|--------------------------------------|---------------------------------|----------|--------|------|------------|
| No.                                  | Item                            | Quantity | ID     | Type | Turn. by   |
| 19                                   | Valve Gate<br>Plug              | 1        |        |      | Sp. Equip. |
| 20                                   | Compound Pressure               |          |        |      |            |
| 21                                   | Gate Valve                      |          |        |      |            |
| 22                                   | Valve Gate                      | 3 1/2"   |        |      |            |
| 23                                   | Valve Gate                      | 1 1/2"   |        |      |            |
| 24                                   | Valve Gate                      | 3 1/2"   |        |      |            |
| 25                                   | Choke line<br>N-2 or equivalent | 3        | 2"     |      |            |
| 26                                   | Choke line<br>N-2 or equivalent | 3        | 2"     |      |            |
| 27                                   | Line to Separator               |          | 2.9"   |      |            |
| 28                                   | Line to Separator               |          | 2.9"   |      |            |
| 29                                   | Valve Gate                      |          | 3 1/2" |      |            |
| 30                                   | Valve Gate                      |          | 3 1/2" |      |            |
| 31                                   | Line to Res. Pit                |          | 2.9"   |      |            |
| 32                                   | Line to Res.                    |          | 2.9"   |      |            |
| 33                                   | Line to Res. Pit                |          | 2.9"   |      |            |

OPERATOR CELSIUS ENERGY CO

DATE 2-14-83

WELL NAME UCOLO #2

IRREGULAR SECTION

SEC SW NE 10 T 30 S R 26 E COUNTY SAN JUAN

43-037-30870  
API NUMBER

FEE  
TYPE OF LEASE

POSTING CHECK OFF:

INDEX

HL

NID

PI

MAP

PROCESSING COMMENTS:

No oil wells within 1000'

Due to proximity of Section 10 to the Utah-Colo boundary line;  
Section 10 is a short section East/West (E 1/2) therefore 750'

tolerance would be OK. Note: ORDER of CAUSE No. 186-4  $\frac{1}{2}$  160 ACRES  
SPACING INCLUDES S 1/2 Section 10.

APPROVAL LETTER:

SPACING:  A-3 \_\_\_\_\_ UNIT

c-3-a \_\_\_\_\_ CAUSE NO. & DATE

c-3-b

c-3-c

SPECIAL LANGUAGE:

Requested survey information  
from original survey to  
verify distances.

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING *BLANKET FEE*

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER *only applicable to 5 1/2 of sec 10*  
~~196-7 12-18-80~~

UNIT 110

c-3-b

c-3-c

OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

February 17, 1983

Cesius Energy Company  
P. O. Box 458  
Rock Springs, Wyoming 82901

RE: Well No. Ucolo #2  
SWNE Sec. 10, T.36S, R.26E  
San Juan County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Rule C-3(b), General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

RONALD J. FIRTH - Engineer  
Office: 533-5771  
Home: 571-6068

OR

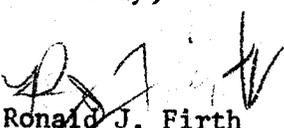
CLEON B. FEIGHT - Director  
Office: 533-5771  
Home: 466-4455

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-037-30870.

Sincerely,

  
Ronald J. Firth  
Chief Petroleum Engineer

RJF/as  
cc: Oil & Gas Operations  
Enclosure

# CELSIUS ENERGY COMPANY

P.O. BOX 458 • ROCK SPRINGS, WYOMING 82901 • PHONE (307) 382-9791

February 28, 1983

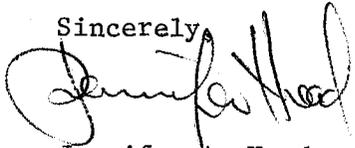
State of Utah  
Oil, Gas, and Mining  
4241 State Office Building  
Salt Lake City, Utah 84114

Attention: Mr. Ron Firth

Dear Mr. Firth:

Attached please find a new certified well location plat for Ucolo Well No. 2 located in Section 10, T.36S., R.26E., San Juan County, Utah. This plat clarifies the section size per our discussion of February 17, 1983.

Sincerely,



Jennifer A. Head  
Coord. Environmental Affairs

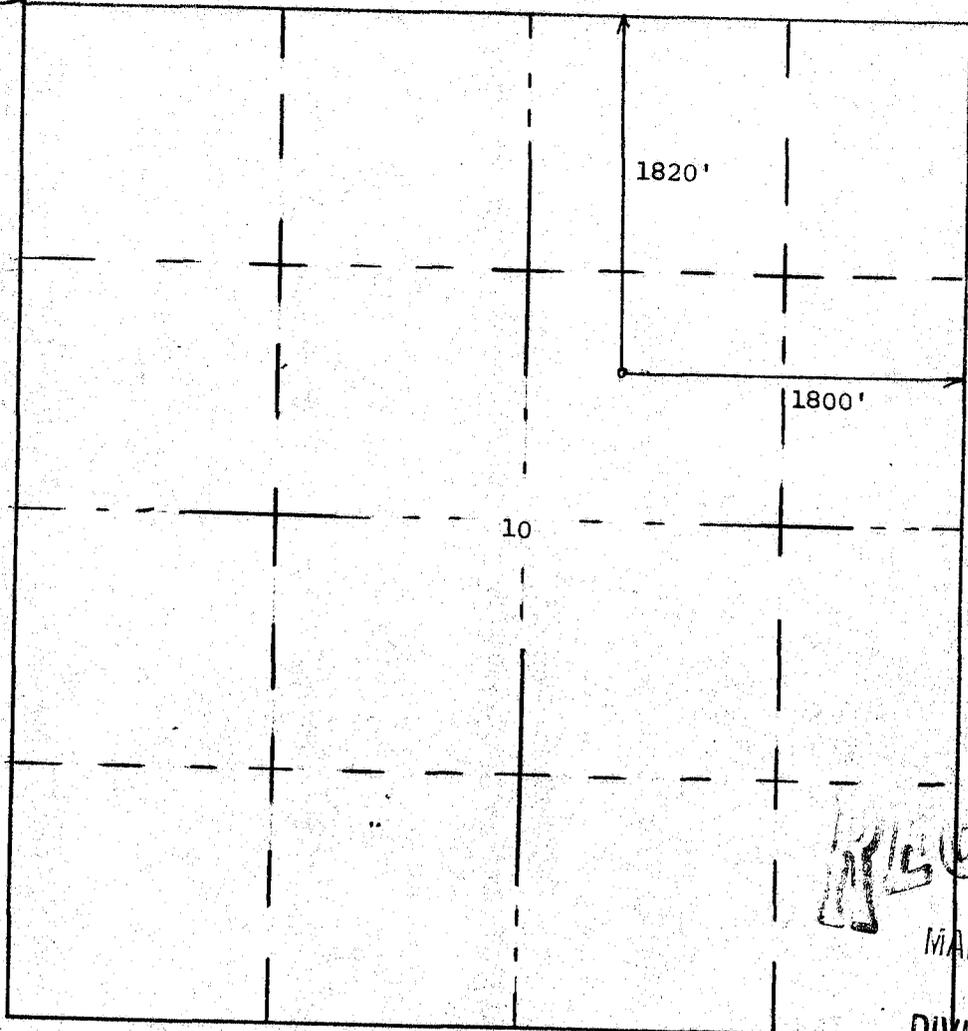
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MAR 03 1983

DIVISION OF  
OIL GAS & MINING



POWERS ELEVATION

74.96 Chains

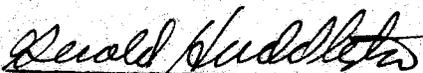


75.12 Chains

*RECEIVED*

MAR 03 1983

DIVISION OF OIL GAS & MINING

|  |                               |  |                                |
|--|-------------------------------|--|--------------------------------|
| Operator<br>Celsius Energy Company   |                               | Well name<br>Ucolo Well No. 2  |                                |
| Section<br>10  | Township<br>36 South          | Range<br>26 East   | Meridian<br>SLM                |
| Footages<br>1820'FNL & 1800'FEL  |                               |  | County/State<br>San Juan, Utah |
| Elevation<br>6626'   | Requested by<br>Jennifer Head |  |                                |
| The above plat is true and correct to the best of my knowledge and belief. |                               |  |                                |
| 21 Feb.'83   |                               | <br>Gerald G. Huddleston, L.S. |                                |

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: Celsius Energy Company

WELL NAME: Ucolo #2

SECTION SW NE 10 TOWNSHIP 36S RANGE 26E COUNTY San Juan

DRILLING CONTRACTOR Arapahoe

RIG # 4

SPUDDED: DATE 3-18-83

TIME 7 PM

HOW Rotary

DRILLING WILL COMMENCE 3/21/83 - Drilling @ 1940'

REPORTED BY Paul Zubatch

TELEPHONE # Rock Springs, Wyo.

DATE 3-21-83 SIGNED RJF

STATE OF UTAH  
OIL & GAS CONSERVATION COMMISSION

SUBMIT IN TRIPPLICATE\*  
(Other instructions on reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

|  |  |  |                   |
|--|--|--|-------------------|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>   |  | 6. LEASE DESIGNATION AND SERIAL NO.<br>Fee                         |                   |
| 2. NAME OF OPERATOR<br>Celsius Energy Company  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br>---                        |                   |
| 3. ADDRESS OF OPERATOR<br>P. O. Box 458, Rock Springs, WY 82901  |  | 7. UNIT AGREEMENT NAME<br>---                                      |                   |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)<br>At surface<br>SW NE 1820' FNL, 1800' FEL |  | 8. FARM OR LEASE NAME<br>Ucolo                                     |                   |
| 14. PERMIT NO.<br>API No.: 43-037-30870  |  | 9. WELL NO.<br>2   |                   |
| 15. ELEVATIONS (Show whether DF, RT, OR, etc.)<br>KB 6639.50' GR 6625'   |  | 10. FIELD AND POOL, OR WILDCAT<br>Wildcat                          |                   |
|  |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>10 - 36S - 26E |                   |
|  |  | 12. COUNTY OR PARISH<br>San Juan                                   | 13. STATE<br>Utah |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    | FRACTURE TREATMENT <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input type="checkbox"/>  | ABANDONMENT* <input type="checkbox"/>    |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         | (Other) <input type="checkbox"/>  |  |
| (Other) <input type="checkbox"/>             |   | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

TD 6376', rig released April 3, 1983, waiting on completion tools.  
 Spudded March 18, 1983 at 7:00 P.M., landed 9-5/8" OD, 36#, K-55, 8 rd thrd, ST&C casing at 1979.82' KBM, set with 460 sacks light cement with 10# per sack gilsonite, 2% CaCl and 1/4# flocele per sack followed with 360 sacks Class B cement with 3% CaCl and 1/4# flocele per sack, ran 1" pipe to 60', set with 60 sacks Class B cement with 3% CaCl, cement in place 3-21-83. Landed 7" OD, 23 & 26#, K-55 & N-80, 8 rd thrd, ST&C & LT&C casing at 6374.40' KBM, set with 320 sacks 50-50 Pozmix A, good returns while circulating, mixing and displacing, floats held okay, cement in place on April 3, 1983.  
 DST #1: 6298'-6330', Desert Creek, IO 1/2 hr, ISI 1 1/2 hr, FO 190 mins, FSI 4 hr, opened strong, gas to surface in 3 mins, 1/2 hr 1800 MCF, reopened, gas at once, oil in 8 mins, 1 hr 1253 MCF, 1 1/2 hr 1044 MCF and 20 bbls condensate and 1 bbl oil cut mud, IHP 3970, IOFP's 1026-1863, ISIP 3580, FOFP's 1269-2592, FSIP 3539, FHP 3843.

APPROVED BY THE STATE  
 OF UTAH DIVISION OF  
 OIL, GAS, AND MINING  
 DATE: \_\_\_\_\_  
 BY: \_\_\_\_\_

18. I hereby certify that the foregoing is true and correct

SIGNED A. J. Mauer TITLE Drlg. Superintendent DATE April 12, 1983

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

Phone  
713-700-0132

# LYNES, INC.

Box 12486  
Houston, TX 77017

Contractor Arapahoe Drilling  
Rig No. 4  
Spot SW-NE  
Sec. 10  
Twp. 36S  
Rng. 26E  
Field Wildcat  
County San Juan  
State Utah  
Elevation 6640 Ft. K.B.  
Formation Desert Creek

Top Choke IF=1/4" FF-1/2"  
Bottom Choke 1"  
Size Hole 8 3/4"  
Size Rat Hole --  
Size & Wt. D. P. 4 1/2" XH 16.60  
Size Wt. Pipe --  
I. D. of D. C. 2 1/4"  
Length of D. C. 644 Ft.  
Total Depth 6400 Ft.  
Interval Tested 6298-6330 Ft.  
Type of Test Bottom Hole Conventional

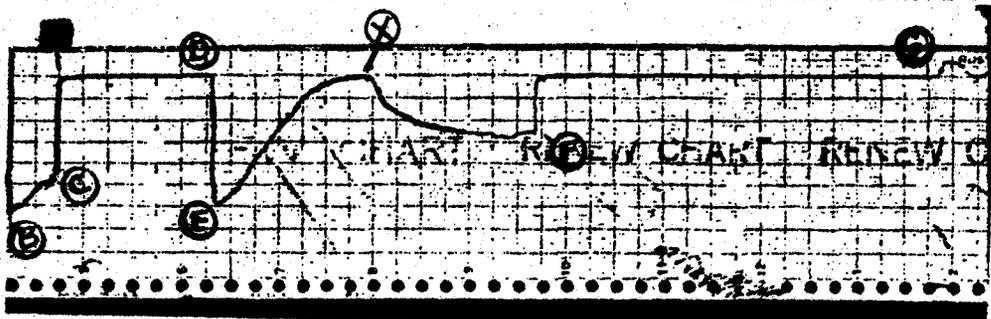
Flow No. 1 30 Min.  
Shut-in No. 1 90 Min.  
Flow No. 2 190 Min.  
Shut-in No. 2 240 Min.  
Flow No. 3 -- Min.  
Shut-in No. 3 -- Min.  
Bottom Hole Temp. 130° F  
Mud Weight 11  
Gravity 70° API 60° F  
Viscosity 37

Tool opened @ 7:47 A.M.

### Outside Recorder

|                     |                  |                |
|---------------------|------------------|----------------|
| PRD Make            | <u>DMR 312</u>   |                |
| No. <u>1622</u>     | Cap. <u>5000</u> | @ <u>6318'</u> |
|                     | Press            | Corrected      |
| Initial Hydrostatic | A                | <u>3933</u>    |
| Final Hydrostatic   | K                | <u>3790</u>    |
| Initial Flow        | B                | <u>1112</u>    |
| Final Initial Flow  | C                | <u>1883</u>    |
| Initial Shut-in     | D                | <u>3573</u>    |
| Second Initial Flow | E                | <u>1271</u>    |
| Second Final Flow   | F                | <u>2602</u>    |
| Second Shut-in      | G                | <u>3571</u>    |
| Third Initial Flow  | H                | <u>--</u>      |
| Third Final Flow    | I                | <u>--</u>      |
| Third Shut-in       | J                | <u>--</u>      |
| Extrapolated FSI    |                  | <u>3574.7</u>  |
|                     |                  | (PSIA)         |

Lynes Dist. Rock Springs, WY  
Our Tester: Lance Sipma  
Witnessed By: Mike Sliger



NOTE: The tool opened for the 2nd flow at point E. In 8 minutes the test was shut in due to separator malf. The floor manifold was shut-in with pressure build up in the pipe to point X. The manifold was then re-opened for the flow from point X to point F.

Did Well Flow - Gas Yes Oil Yes Water No  
RECOVERY IN PIPE: (Test Was Reverse Circulated)

### Blow Description:

1st Flow: Tool opened with a 2" underwater blow, increased to 160 psi in 2 minutes, increased to 200 psi in 3 minutes, gas to surface in 3 minutes (SEE GAS VOLUME REPORT), increased to 400 psi in 10 minutes, increased to 1100 psi in 26 minutes, increased to 1150 psi at the end of the flow period.

2nd Flow: Tool opened with a 120 psi blow, fluid to surface at 8 minutes, (SEE GAS VOLUME REPORT), increased to 500 psi in 10 minutes, increased to 1000 psi in 20 minutes, increased to 1750 psi in 40 minutes, increased to 2300 psi in 60 minutes, increased to 2525 psi in 90 minutes, decreased to 2300 in 100 minutes, decreased to 1350 in 120 minutes, decreased to 550 psi in 140 minutes, decreased to 500 psi at the end of the flow period.

**RECEIVED**

APR 25 1983

DIVISION OF  
OIL GAS & MINING

Operator Calcius Energy  
 Address See Distribution  
 Well Name and No. UCO10 #2  
 Ticket No. 5001  
 Date 4/1/83  
 No. Final Copies 12  
 DST No. 1

Comments relative to DST#1 run for CELCIUS ENERGY in San Juan County, Utah  
SW-NE-10-36S-26E

Enclosed are the new calculations as requested by Celcius Energy.  
Please find the corrections that were made in the gas volume report  
as the revised gas rates will affect the calculations.

If you should have any questions regarding the changes, please feel  
free to call.

T.H.ADAMS C.E.T.

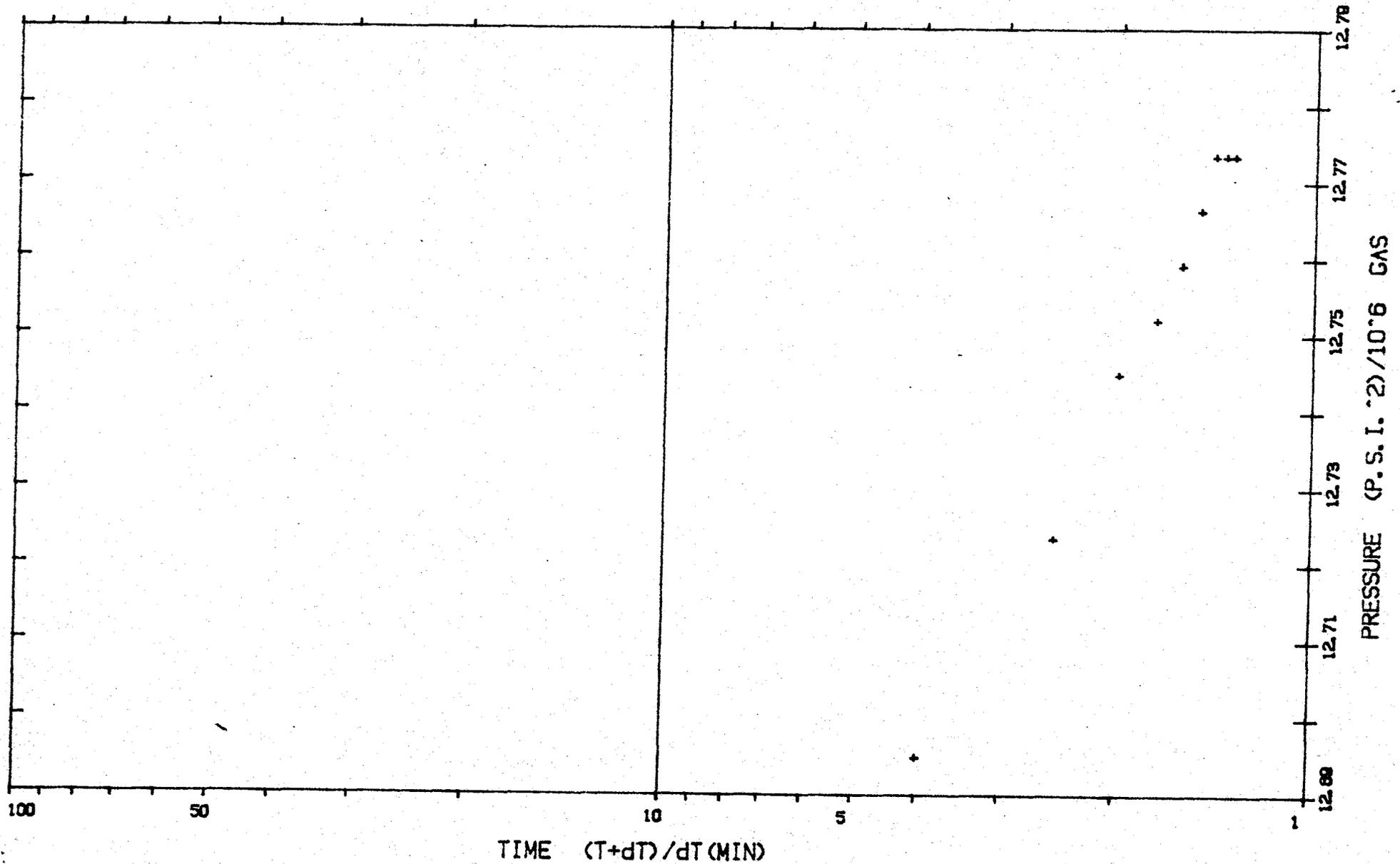


MANGAGER TECHNICAL SERVICES

OPERATOR: CELSIUS ENERGY  
WELL NAME: UCOLO  
LOCATION: SW-NE-10-36S-26E  
FIRST SHUT-IN  
RECORDER: 1622

DST #: 1

DEPTH: 6318

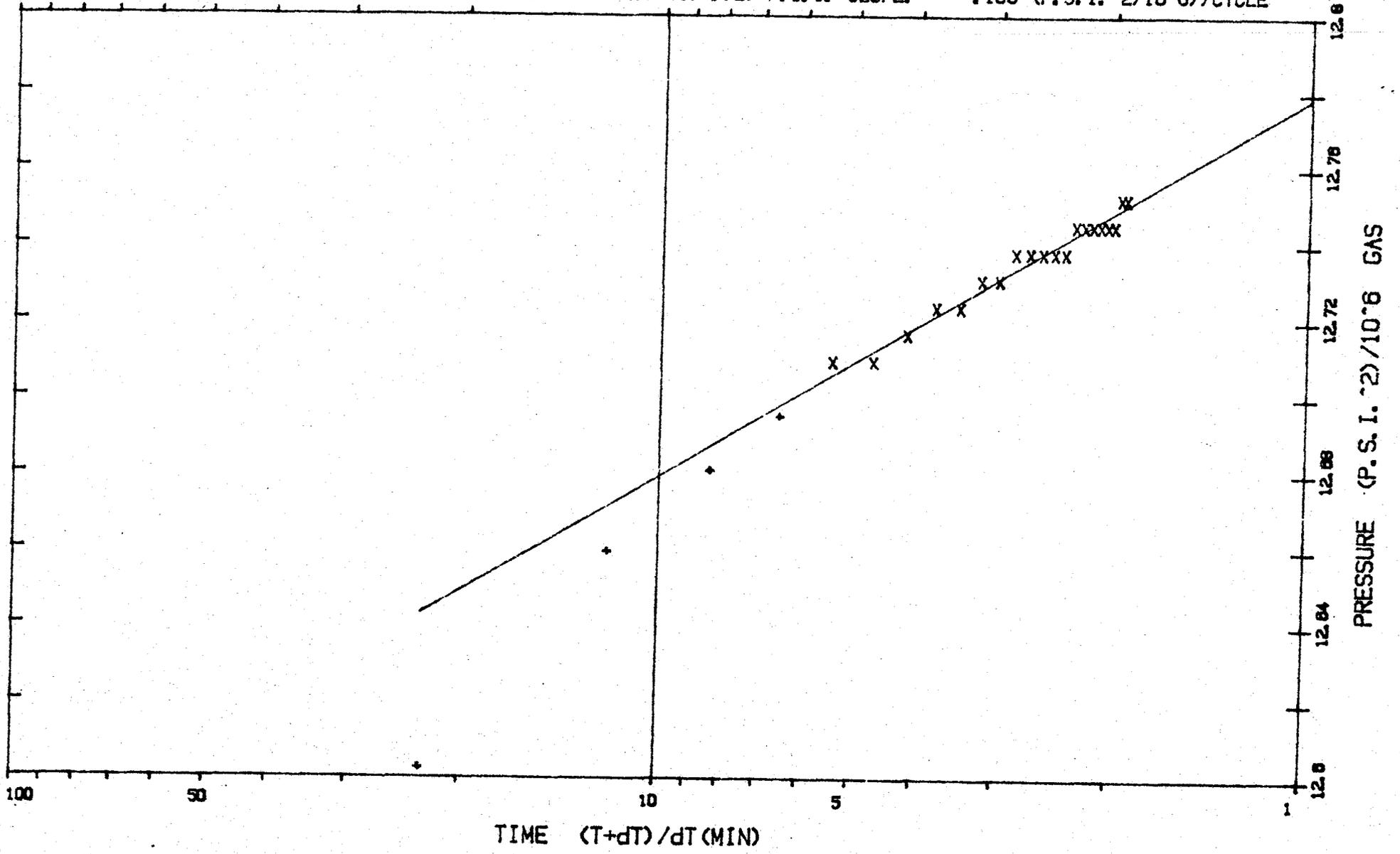


OPERATOR: CELSIUS ENERGY  
WELL NAME: UCOLO  
LOCATION: SW-NE-10-36S-26E  
SECOND SHUT-IN  
RECORDER: 1622

DST #: 1

DEPTH: 6318

EXTRAPOLATED PRESSURE: 3574.727 P. S. I. SLOPE: .100 (P. S. I. <sup>2</sup>/10<sup>6</sup>)/CYCLE





GAS VOLUME REPORT  
FINAL FLOW

CELCIUS ENERGY  
UCOLO # 2  
DST # 1

| TIME  | D.P.<br>PRESSURE | SEPARATOR<br>PRESSURE | CHOKE<br>SIZE | GAS RATE<br>MCF/D |
|-------|------------------|-----------------------|---------------|-------------------|
| 11:30 | 2300             | 300                   | 17/64         | 2507              |
| 11:45 | 1875             | 225                   | 17/64         | 1880              |
| 12:00 | 1750             | 170                   | 22/64         | 1420              |
| 12:15 | 1700             | 210                   | 22/64         | 1755              |
| 12:30 | 1650             | 150                   | 22/64         | 1253              |
| 12:45 | 1550             | 180                   | 22/64         | 1504              |
| 01:00 | 1600             | 125                   | 22/64         | 1044              |

NOTE: These pressures and gas rates were measured and reported by CELCIUS ENERGY.

Please note that the test was shut-in at surface 8 minutes into the flow due to separator malfunction, it was then re-opened thru the separator at 100 minutes.

# LYNES, INC.

## Sampler Report

Company Celcius Energy Date 4/1/83  
Well Name & No. Uco]o #2 Ticket No. 5001  
County San Juan State Utah  
Test Interval 6298-6330 Ft. DST No. 1

Total Volume of Sampler: 2150 cc.  
Total Volume of Sample: 100 cc.  
Pressure in Sampler: 2100 psig  
Oil: 100 cc.  
Water: None cc.  
Mud: None cc.  
Gas: 12.72 cu. ft.  
Other: --

Sample R.W.: .1 @ 60°F = 85,000 ppm. cl.

### Resistivity

Make Up Water -- Salinity Content -- ppm.  
Mud Pit Sample .72 @ 65°F Salinity Content 9,000 ppm.  
Gas/Oil Ratio 20352/1 Gravity 70 °API @ 60 °F

Where was sample drained On location

Remarks: Recovery:

Top Sample R.W.: 1 @ 65°F = 6500 ppm. cl.

Middle Sample R.W.: 1.5 @ 65°F = 4300 ppm. cl.

Bottom Sample R.W.: 1.4 @ 65°F = 4500 ppm. cl.

CELSIUS ENERGY

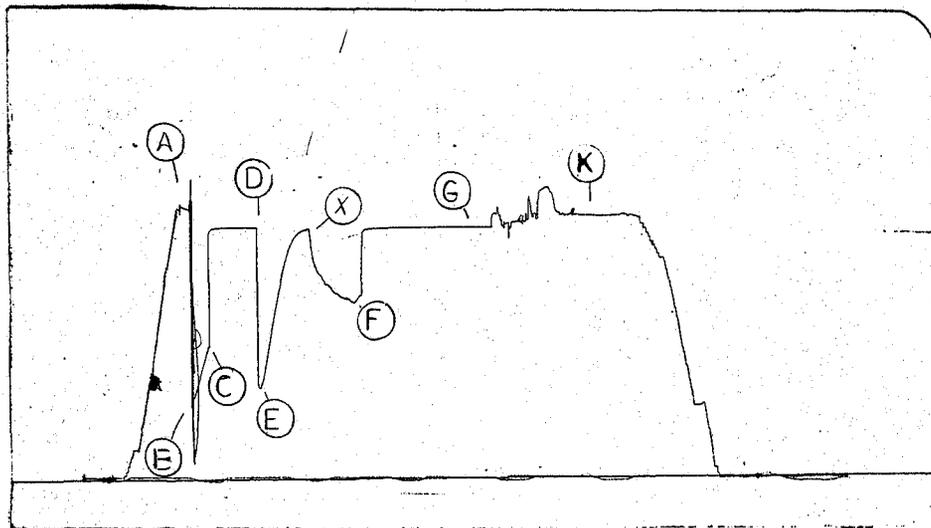
DST#: 1  
UCOLC #2  
6298-6330

PRESSURE RECORDER NUMBER : 24521

DEPTH : 6273.00ft.      LOCATION : INSIDE  
TYPE : K-3                      CAPACITY : 6625.00 PSI

PRESSURE  
PSI

A)Initial Hydro : 3842.0  
B)1st Flow Start: 1118.0  
C)1st Flow End : 1870.0  
D)END 1st Shutin: 3569.0  
E)2nd Flow Start: 1277.0  
F)2nd Flow End : 2594.0  
G)END 2nd Shutin: 3569.0  
K)Final Hydro. : 3732.0



TEST TIMES(MIN)  
1st FLOW : 30  
SHUTIN: 90  
2nd FLOW : 190  
SHUTIN: 240

**CONFIDENTIAL**

STATE OF UTAH  
(See other instructions on reverse side)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

5. LEASE DESIGNATION AND SERIAL NO.

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

--

7. UNIT AGREEMENT NAME

--

8. FARM OR LEASE NAME

Ucolo

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

10 - 36S - 26E

12. COUNTY OR PARISH  
San Juan

13. STATE  
Utah

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG \***

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESVR.  Other

2. NAME OF OPERATOR  
Celsius Energy Company

3. ADDRESS OF OPERATOR  
P. O. Box 458, Rock Springs, WY 82901

4. LOCATION OF WELL (Report location clearly and in accordance with state requirements)

At surface SW NE 1820' FNL, 1800' FEL

At top prod. interval reported below

At total depth

API No.

14. PERMIT NO. 43-037-30870  
DATE ISSUED 2-17-83

15. DATE SPUNDED 3-18-83  
16. DATE T.D. REACHED 4-3-83  
17. DATE COMPL. (Ready to prod.) 4-19-83  
18. ELEVATIONS (DF, REB, RT, GR, ETC.)\* KB 6639.50' GR 6625'  
19. ELEV. CASINGHEAD --

20. TOTAL DEPTH, MD & TVD 6376'  
21. PLUG, BACK T.D., MD & TVD 6320'  
22. IF MULTIPLE COMPL., HOW MANY\* --  
23. INTERVALS DRILLED BY ROTARY TOOLS 0-6376'  
CABLE TOOLS --

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
6304'-6312' Desert Creek Porosity

25. WAS DIRECTIONAL SURVEY MADE  
--

26. TYPE ELECTRIC AND OTHER LOGS RUN

DIP CNL-FDC

27. WAS WELL CORED  
--

28. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | CEMENTING RECORD        | AMOUNT PULLED |
|-------------|-----------------|----------------|-----------|-------------------------|---------------|
| 9-5/8       | 36              | 1979.82'       | 12-1/4    | 880 sxs Light & Class B | 0             |
| 7           | 23 & 26         | 6374.40'       | 8-3/4     | 320 sxs 50-50 Pozmix A  | 0             |

29. LINER RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) |
|------|----------|-------------|---------------|-------------|
|      |          |             |               |             |

30. TUBING RECORD

| SIZE  | DEPTH SET (MD) | PACKER SET (MD) |
|-------|----------------|-----------------|
| 2-7/8 | 6201.26'       |                 |

31. PERFORATION RECORD (Interval, size and number)

6304'-6312' with two holes per foot

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|----------------------------------|
|                     |                                  |
|                     |                                  |
|                     |                                  |

33.\* PRODUCTION

| DATE FIRST PRODUCTION |                 | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) |                         |          |            | WELL STATUS (Producing or shut-in) |               |
|-----------------------|-----------------|--|-------------------------|----------|------------|------------------------------------|---------------|
| --                    |                 | Flowing  |                         |          |            | Shut-in                            |               |
| DATE OF TEST          | HOURS TESTED    | CHOKE SIZE   | PROD'N. FOR TEST PERIOD | OIL—BBL. | GAS—MCF.   | WATER—BBL.                         | GAS-OIL RATIO |
| 4/15-19/83            | 96              | 12/64  | →                       |          |            |                                    |               |
| FLOW. TUBING PRESS.   | CASING PRESSURE | CALCULATED 24-HOUR RATE  | OIL—BBL.                | GAS—MCF. | WATER—BBL. | OIL GRAVITY-API (CORR.)            |               |
| 2432                  | 2550            | →  | 141                     | 1790     |            | 64.4                               |               |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Logs as above.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

*Thomas Adams*

TITLE Director, Petroleum Eng.

DATE 4-19-83

\*(See Instructions and Spaces for Additional Data on Reverse Side)

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

**Item 29:** "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

| FORMATION   | TOP         | BOTTOM | DESCRIPTION, CONTENTS, ETC. |
|---|-------------|--------|-----------------------------|
| <b>37. SUMMARY OF POROUS ZONES:</b><br>SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES |             |        |                             |
| <b>38. GEOLOGIC MARKERS</b>   |             |        |                             |
| NAME  | MEAS. DEPTH | TOP    | TRUE VERT. DEPTH            |
| Honaker Trail   | 4600'       |        |                             |
| Upper Ismay   | 5998'       |        |                             |
| Ismay Shale   | 6043'       |        |                             |
| Lower Ismay   | 6131'       |        |                             |
| B Zone  | 6180'       |        |                             |
| Desert Creek  | 6246'       |        |                             |
| Akah  | 6342'       |        |                             |
| Salt  | 6373'       |        |                             |

Operator..... CELSIUS ENERGY  
 Well ID..... UCOLO #2  
 Location..... SW-NE-10-36S-26E  
 DST Number..... 1  
 Formation..... DESERT CREEK  
 Type of test.... BOTTOM HOLE CONVENTIONAL  
 Test interval... 6298-6330  
 Recorder number : 1622  
 Recorder depth : 6318

**RECEIVED**  
 MAY 20 1993

DIVISION OF  
 OIL, GAS & MINING

RESERVOIR CALCULATIONS: Gas calculations based on 2nd shut-in  
 \*\*\*\*\*

RESERVOIR PARAMETERS USED:  
 \*\*\*\*\*

|                   |                |                   |              |
|-------------------|----------------|-------------------|--------------|
| Bottom hole temp: | 130.00 deg. F. | Specific gravity: | .690000      |
| Porosity.....:    | 15.00 %        | Z factor.....:    | .840000      |
| Net Pay.....:     | 15.00 ft.      | Compressibility:  | .000190 /psi |
| Flow rate.....:   | 1420.00 mcfd   | Viscosity.....:   | .012000 cp   |

|                          |  |
|--------------------------|--|
| Total flowing time.....: | 220.000 minutes                        |
| Final flowing pressure : | 2603.000 psi                           |
| Horner Extrapolation...: | 3574.727 psi                           |
| Horner Slope.....:       | .100 psi <sup>2</sup> /10 <sup>6</sup> |
| Assumed drainage radius: | 2980.000 ft.                           |
| Wellbore radius.....:    | .365 ft.                               |

RESULTS:  
 \*\*\*\*\*

|                                  |                     |
|----------------------------------|---------------------|
| Effective permeability....(k)... | 9.2163 md           |
| Flow capacity.....(kh)...        | 138.2450 md-ft      |
| Transmissibility.....(kh/u)...   | 11520.4202 md-ft/cp |
| Skin.....(s)...                  | 62.5994             |
| Pressure drop across skin.....:  | 892.0670 psi        |
| Damage ratio.....:               | 10.6367             |
| Absolute Open Flow...(AOF).....: | 3022.1427 mcfd      |
| AOF with damage removed.....:    | 32145.7272 mcfd     |
| Estimated stabilized AOF.....:   | 25383.5087 mcfd     |
| Radius of investigation.....:    | 288.2702 ft.        |

Location: SW-NE-10-36S-26E  
 Test Type: BOTTOM HOLE CONVENTIONAL  
 Formation: DESERT CREEK

Recorder Number: 1622  
 Recorder Depth: 6318 ft.

TIME-PRESSURE LISTING

| CHART LABEL | COMMENTS            | TIME MIN. | DELTA P PSI | PRESSURE (T+dt)/dt PSI | PRESSURE SQUARED PSI <sup>2</sup> /10 <sup>6</sup> |
|-------------|---------------------|-----------|-------------|------------------------|--|
| A           | INITIAL HYDROSTATIC | 0.0       |             | 3934.0                 |  |
| B           | START OF 1st FLOW   | 0.0       |             | 1113.0                 |  |
| C           | END OF 1st FLOW     | 30.0      |             | 1883.0                 |  |
|             | 1st SHUTIN PERIOD   | 0.0       | 0.0         | 1883.0                 | 0.0000   |
|             |                     | 10.0      | 1680.0      | 3563.0                 | 4.0000   |
|             |                     | 20.0      | 1684.0      | 3567.0                 | 2.5000   |
|             |                     | 30.0      | 1687.0      | 3570.0                 | 2.0000   |
|             |                     | 40.0      | 1688.0      | 3571.0                 | 1.7500   |
|             |                     | 50.0      | 1689.0      | 3572.0                 | 1.6000   |
|             |                     | 60.0      | 1690.0      | 3573.0                 | 1.5000   |
|             |                     | 70.0      | 1691.0      | 3574.0                 | 1.4286   |
|             |                     | 80.0      | 1691.0      | 3574.0                 | 1.3750   |
|             |                     | 90.0      | 1691.0      | 3574.0                 | 1.3333   |
| D           | END OF 1st SHUTIN   |           |             |                        |  |
| E           | START OF 2nd FLOW   | 0.0       |             | 1284.0                 |  |
| F           | END OF 2nd FLOW     | 190.0     |             | 2603.0                 |  |
|             | 2nd SHUTIN PERIOD   | 0.0       | 0.0         | 2603.0                 | 1.3333   |
|             |                     | 10.0      | 947.0       | 3550.0                 | 23.0000  |
|             |                     | 20.0      | 955.0       | 3558.0                 | 12.0000  |
|             |                     | 30.0      | 958.0       | 3561.0                 | 8.3333   |
|             |                     | 40.0      | 960.0       | 3563.0                 | 6.5000   |
|             |                     | 50.0      | 962.0       | 3565.0                 | 5.4000*  |
|             |                     | 60.0      | 962.0       | 3565.0                 | 4.6667*  |
|             |                     | 70.0      | 963.0       | 3566.0                 | 4.1429*  |
|             |                     | 80.0      | 964.0       | 3567.0                 | 3.7500*  |
|             |                     | 90.0      | 964.0       | 3567.0                 | 3.4444*  |
|             |                     | 100.0     | 965.0       | 3568.0                 | 3.2000*  |
|             |                     | 110.0     | 965.0       | 3568.0                 | 3.0000*  |
|             |                     | 120.0     | 966.0       | 3569.0                 | 2.8333*  |
|             |                     | 130.0     | 966.0       | 3569.0                 | 2.6923*  |
|             |                     | 140.0     | 966.0       | 3569.0                 | 2.5714*  |
|             |                     | 150.0     | 966.0       | 3569.0                 | 2.4667*  |
|             |                     | 160.0     | 966.0       | 3569.0                 | 2.3750*  |
|             |                     | 170.0     | 967.0       | 3570.0                 | 2.2941*  |
|             |                     | 180.0     | 967.0       | 3570.0                 | 2.2222*  |
|             |                     | 190.0     | 967.0       | 3570.0                 | 2.1579*  |
|             |                     | 200.0     | 967.0       | 3570.0                 | 2.1000*  |
|             |                     | 210.0     | 967.0       | 3570.0                 | 2.0476*  |
|             |                     | 220.0     | 967.0       | 3570.0                 | 2.0000*  |

CELSIUS ENERGY  
DST#: 1  
UCOLO  
6298-6330

Location: SW-NE-10-36S-26E  
Test Type: BOTTOM HOLE CONVENTIONAL  
Formation: DESERT CREEK

Recorder Number: 1622  
Recorder Depth: 6318 ft.

TIME-PRESSURE LISTING  
-----

| CHART LABEL | COMMENTS          | TIME MIN. | DELTA P PSI | PRESSURE PSI | (T+dt)/dt ABSCISSA | PRESSURE SQUARED PSI <sup>2</sup> /10 <sup>6</sup> |
|-------------|-------------------|-----------|-------------|--------------|--------------------|--|
| G           | END OF 2nd SHUTIN | 230.0     | 968.0       | 3571.0       | 1.9565*            | 12.7520  |
|             |                   | 240.0     | 968.0       | 3571.0       | 1.9167*            | 12.7520  |
| K           | FINAL HYDROSTATIC | 0.0       |             | 3790.0       |                    |  |

\* VALUES USED FOR EXTRAPOLATIONS

CELSIUS ENERGY  
DST#: 1  
UCOLO  
6298-6330

Location: SW-NE-10-36S-26E  
Test Type: BOTTOM HOLE CONVENTIONAL  
Formation: DESERT CREEK

Recorder Number: 1622  
Recorder Depth: 6318 ft.

2nd SHUT-IN

HORNER EXTRAPOLATION 3574.73 PSI  
HORNER SLOPE .10 (PSI<sup>2</sup>/10<sup>6</sup>)/cycle

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 05 1992

FORM APPROVED  
Budget Bureau No 1004-1135  
Expires September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS DIVISION OF  
OIL GAS & MINING

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No  
FEE

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designat

8. Well Name and No.  
UCOLO NO. 2

9. API Well No.  
43-037-30870

10. Field and Pool, or Exploratory Arc  
WILDCAT

11. County or Parish, State  
SAN JUAN, UTAH

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
CELSIUS ENERGY COMPANY

3. Address and Telephone No.  
1125-17TH STREET, SUITE 2240, DENVER, COLORADO 80202

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SW/4 NE/4 SECTION 10, T36S-R26E  
1820' FNL, 1800' FEL

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION                                | TYPE OF ACTION                                   |
|---|--|
| <input type="checkbox"/> Notice of Intent         | <input checked="" type="checkbox"/> Abandonment  |
| <input type="checkbox"/> Subsequent Report        | <input type="checkbox"/> Recompletion            |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back           |
|   | <input type="checkbox"/> Casing Repair           |
|   | <input type="checkbox"/> Altering Casing         |
|   | <input type="checkbox"/> Other                   |
|   | <input type="checkbox"/> Change of Plans         |
|   | <input type="checkbox"/> New Construction        |
|   | <input type="checkbox"/> Non-Routine Fracturing  |
|   | <input type="checkbox"/> Water Shut-Off          |
|   | <input type="checkbox"/> Conversion to Injection |

(Note: Report results of multiple completion on Well Completion  
Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directional give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

CELSIUS ENERGY COMPANY PROPOSES TO PLUG AND ABANDON THE ABOVE-CAPTIONED WELL AS FOLLOWS:

- 1) SET CAST IRON BRIDGE PLUG AT 6,250'. DUMP BAIL 6 SACKS CEMENT ON TOP OF BRIDGE PLUG.
- 2) LOAD HOLE WITH 9.0#/GALLON MUD.
- 3) SHOOT SQUEEZE HOLES AT 2,030'. SET CEMENT RETAINER AT 1,930' AND SQUEEZE BSC WITH 40 SACKS CEMENT BELOW THE RETAINER. DUMP 5 SACKS CEMENT ON TOP OF RETAINER.
- 4) SPOT 120' SURFACE PLUG INSIDE AND OUTSIDE OF 7" CASING USING 41 SACKS OF CEMENT.
- 5) CUT OFF WELLHEAD AND INSTALL DRY HOLE MARKER.
- 6) RECLAIM LOCATION TO LANDOWNER AND STATE OF UTAH SPECIFICALLY

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL GAS AND MINING

DATE: 3/2/92  
BY: [Signature]

14. I hereby certify that the foregoing is true and correct  
Signed: [Signature] Title: DISTRICT MANAGER Date: 3/2/92

(This space for Federal or State office use)  
Approved by: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
Conditions of approval, if any:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE

RECEIVED  
SEP 13 1993

|  |   |
|--|---|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <b>P&amp;A</b>     | 5. Lease Designation and Serial No.<br><b>FEE</b>         |
| 2. Name of Operator<br><b>CELSIUS ENERGY COMPANY</b>   | 6. If Indian, Allottee or Tribe Name<br><b>NA</b>         |
| 3. Address and Telephone No.<br><b>1125 17th Street, Suite 2240, Denver, CO 80202 303-296-8945</b>                                       | 7. If Unit or CA, Agreement Designation<br><b>NA</b>      |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br><b>SWNE Section 10, T36S, R26E<br/>1820' FNL and 1800' FEL</b> | 8. Well Name and No.<br><b>Ucolo No. 2</b>                |
|  | 9. API Well No.<br><b>43-037-30870</b>                    |
|  | 10. Field and Pool, or Exploratory Area<br><b>Wildcat</b> |
|  | 11. County or Parish, State<br><b>San Juan, UT</b>        |

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION                                | TYPE OF ACTION                                   |
|---|--|
| <input type="checkbox"/> Notice of Intent         | <input type="checkbox"/> Abandonment             |
| <input type="checkbox"/> Subsequent Report        | <input type="checkbox"/> Recompletion            |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back           |
|   | <input type="checkbox"/> Casing Repair           |
|   | <input type="checkbox"/> Altering Casing         |
|   | <input type="checkbox"/> Other <b>P&amp;A</b>    |
|   | <input type="checkbox"/> Change of Plans         |
|   | <input type="checkbox"/> New Construction        |
|   | <input type="checkbox"/> Non-Routine Fracturing  |
|   | <input type="checkbox"/> Water Shut-Off          |
|   | <input type="checkbox"/> Conversion to Injection |
|   | <input type="checkbox"/> Dispose Water           |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Celsius completed plugging operations on the Ucolo No. 2 well on 8/31/93 as follows:

1. Set CIBP at 6,175'.
2. Load hole with 125 bbls. 9.9# 50 vis. mud. Test casing to 1000#.
3. Mix and spot 6 sx class B neat cement with 3 gal. CFR-3. Plug balanced.
4. Perforate with 4" casing gun 1' 5 shots at 2,030'.
5. Set cement retainer at 1,930'. Mix and pump 40 sx class B neat cement below retainer and 5 sx on top.
6. Cut 9-5/8" surface casing and 7" casing.
7. Filled 9-5/8" and 7" casing with 15.6#/gallon cement at 120' using 95 sx.
8. Welded plate in 9-5/8" casing 3' below ground level.

Location will be reclaimed to landowner and State of Utah specifications.

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title **District Manager** Date **September 8, 1993**

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

September 15, 1993

TO: Memo to well file

FROM: Glenn Goodwin, Field Specialist

RE: Celsius Energy Ucolo # 2, Section 10, T. 36S. R26E. San Juan County, Utah. 43-037-30870.

- 8/29/93: MIRU Big "A" Well Service # 26 pulling unit. Blowed down well. 54 #'s on the tubing, 30 #'s on the casing. Rigged down wellhead and installed BOPE. Circulated well with 9.9 # salt water. Pulled out of hole and tallied pipe. Shut down for day.
- 8/30/93: Perforations in the well @ 6304-6312 ( 2 shots per foot). Made up 7" CIBP, tripped in hole and set @ 6250'. Spotted 6 sxs of cement on top of plug. Layed down 1930' of tubing, finished tripping out of hole. Rigged up HOWCO wire line, shot 5 holes @ 2030'. Made up cement retainer on tubing run in hole, set @ 1930'. Squeezed with 40 sxs of Class "G" cement, stung out and dumped 2 bbls of cement on the retainer and layed down tubing. Rigged down BOPE, cut off wellhead below plow line. Picked up 120' of 1" pipe ran in hole between 7" and 9 5/8" Ran out of cement and shut down for day
- 8/31/93: Cemented annulus with 50 sxs, welded plate on casing.

Bureau of Land Management  
Branch of Fluid Mineral  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

RECEIVED

OCT 06 1993

DIVISION OF  
OIL, GAS & MINING

October 7, 1993

Celsius Energy Company  
P.O. Box 11070  
Salt Lake City, Utah 84147

*43-037-30870 / UCOLO #2 / PA'd 8-31-93*  
Re: Communitization Agreement  
UT060P49-85C708  
San Juan County, Utah  
*Sec. 10 36S 26E SWNE*

Gentlemen:

On June 27, 1985, Communitization Agreement UT060P49-85C708 was approved, effective April 1, 1983 and effective for a period of two years and for so long as communitized substances are, or can be produced from the communitized area in paying quantities. Communitization Agreement UT060P49-85C708 involves portions of Federal Lease U-30135. The above mentioned communitization agreement terminated, effective as of September 19, 1993, due to the lack of production from the communitized area.

Sincerely,

/S/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

bcc: Branch of Lands and Minerals Operations  
District Manager - Moab  
Division Oil, Gas & Mining  
MMS - Data Management Division  
CA UT060P49-85C708  
Agr. Sec. Chron  
Fluid Chron

922:TAThompson:tt:10-07-93

## Earlene Russell - Reentry of the UCOLO #2 Well

---

**From:** Steve Sacks <ssacks@djsimmons.com>  
**To:** "earlenerussell@utah.gov" <earlenerussell@utah.gov>  
**Date:** 9/29/2010 10:02 AM  
**Subject:** Reentry of the UCOLO #2 Well  
**CC:** Jeff Parkes <jparkes@djsimmons.com>, Walter Parks <wparks@djsimmons.com>

---

Hi Earlene:

Per you email instructions to Mr. Jeff Parks this email will confirm that DJ Simmons, Inc. would like to reenter the UCOLO #2 Well located 1,810.80' FNL and 1,671.31' FEL in Section 10, T36S, R26E, SLM, San Juan County, Utah, API # 43-037-30870. The following is our address and below are our telephone and fax numbers:

DJ Simmons, Inc.  
1009 Ridgeway Place, Suite 200  
Farmington, NM 87401

N2520

Once the Change of Operator is changed over to DJ Simmons, Inc. I will electronically file the proper reentry forms with attachments for the UCOLO #2 Well.

Thank you so very much for all of your help and time concerning this issue.

Sincerely

Steve Sacks  
Regulatory and Permitting Specialist  
DJ Simmons, Inc.

Office Phone: (505) 326-3753 Ext 127  
Cell Phone: (505) 486-6516  
Fax: (505) 327-4659  
Email: ssacks@djsimmons.com

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT

|  |                  |                    |  |                |                           |   |               |                 |              |               |  |
|--|------------------|--------------------|--|----------------|---------------------------|---|---------------|-----------------|--------------|---------------|--|
| <b>APPLICATION FOR PERMIT TO DRILL</b>   |                  |                    |  |                |                           | <b>1. WELL NAME and NUMBER</b><br>UCOLO 2   |               |                 |              |               |  |
| <b>2. TYPE OF WORK</b><br>DRILL NEW WELL <input type="radio"/> REENTER P&A WELL <input checked="" type="radio"/> DEEPEN WELL <input type="radio"/> |                  |                    |  |                |                           | <b>3. FIELD OR WILDCAT</b><br>UNDESIGNATED  |               |                 |              |               |  |
| <b>4. TYPE OF WELL</b><br>Gas Well Coalbed Methane Well: NO  |                  |                    |  |                |                           | <b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>  |               |                 |              |               |  |
| <b>6. NAME OF OPERATOR</b><br>D J SIMMONS, INC   |                  |                    |  |                |                           | <b>7. OPERATOR PHONE</b><br>505 326-3753  |               |                 |              |               |  |
| <b>8. ADDRESS OF OPERATOR</b><br>1009 RIDGEWAY PL, STE 200, FARMINGTON, NM, 87401  |                  |                    |  |                |                           | <b>9. OPERATOR E-MAIL</b><br>jbyrom@djsimmonsinc.com  |               |                 |              |               |  |
| <b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee</b>  |                  |                    | <b>11. MINERAL OWNERSHIP</b><br>FEDERAL <input type="radio"/> INDIAN <input type="radio"/> STATE <input type="radio"/> FEE <input checked="" type="radio"/>          |                |                           | <b>12. SURFACE OWNERSHIP</b><br>FEDERAL <input type="radio"/> INDIAN <input type="radio"/> STATE <input type="radio"/> FEE <input checked="" type="radio"/> |               |                 |              |               |  |
| <b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b><br>Terence Michael Tobin & Sandra J. Tobin  |                  |                    |  |                |                           | <b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b><br>970-677-6225  |               |                 |              |               |  |
| <b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b><br>160 Applewood Dr., ,  |                  |                    |  |                |                           | <b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>   |               |                 |              |               |  |
| <b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>  |                  |                    | <b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b><br>YES <input type="radio"/> (Submit Commingling Application) NO <input checked="" type="radio"/> |                |                           | <b>19. SLANT</b><br>VERTICAL <input checked="" type="radio"/> DIRECTIONAL <input type="radio"/> HORIZONTAL <input type="radio"/>                            |               |                 |              |               |  |
| <b>20. LOCATION OF WELL</b>  |                  | <b>FOOTAGES</b>    |  | <b>QTR-QTR</b> | <b>SECTION</b>            | <b>TOWNSHIP</b>   | <b>RANGE</b>  | <b>MERIDIAN</b> |              |               |  |
| LOCATION AT SURFACE  |                  | 1810 FNL 1671 FEL  |  | SWNE           | 10                        | 36.0 S  | 26.0 E        | S               |              |               |  |
| Top of Uppermost Producing Zone  |                  | 1810 FNL 1671 FEL  |  | SWNE           | 10                        | 36.0 S  | 26.0 E        | S               |              |               |  |
| At Total Depth   |                  | 1810 FNL 1671 FEL  |  | SWNE           | 10                        | 36.0 S  | 26.0 E        | S               |              |               |  |
| <b>21. COUNTY</b><br>SAN JUAN  |                  |                    | <b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b><br>500  |                |                           | <b>23. NUMBER OF ACRES IN DRILLING UNIT</b><br>300  |               |                 |              |               |  |
|  |                  |                    | <b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b><br>0  |                |                           | <b>26. PROPOSED DEPTH</b><br>MD: 6250 TVD: 6250   |               |                 |              |               |  |
| <b>27. ELEVATION - GROUND LEVEL</b><br>6625  |                  |                    | <b>28. BOND NUMBER</b><br>LOC#BOK08SDF04665  |                |                           | <b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b><br>Dove Creek, CO  |               |                 |              |               |  |
| <b>Hole, Casing, and Cement Information</b>  |                  |                    |  |                |                           |   |               |                 |              |               |  |
| <b>String</b>  | <b>Hole Size</b> | <b>Casing Size</b> | <b>Length</b>  | <b>Weight</b>  | <b>Grade &amp; Thread</b> | <b>Max Mud Wt.</b>  | <b>Cement</b> | <b>Sacks</b>    | <b>Yield</b> | <b>Weight</b> |  |
| Surf   | 12.25            | 9.625              | 0 - 1980   | 36.0           | K-55 Casing/Tubing        | 9.3   | Type III      | 880             | 1.32         | 15.6          |  |
| Prod   | 8.75             | 7                  | 0 - 6374   | 26.0           | K-55 Casing/Tubing        | 9.3   | 50/50 Poz     | 320             | 1.32         | 15.6          |  |
| <b>ATTACHMENTS</b>   |                  |                    |  |                |                           |   |               |                 |              |               |  |
| <b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>  |                  |                    |  |                |                           |   |               |                 |              |               |  |
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER   |                  |                    |  |                |                           | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN  |               |                 |              |               |  |
| <input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)  |                  |                    |  |                |                           | <input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER  |               |                 |              |               |  |
| <input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)  |                  |                    |  |                |                           | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP   |               |                 |              |               |  |
| <b>NAME</b> Robin Schiro   |                  |                    | <b>TITLE</b> Regulatory & Permitting Specialist  |                |                           | <b>PHONE</b> 505 236-3753   |               |                 |              |               |  |
| <b>SIGNATURE</b>   |                  |                    | <b>DATE</b> 01/05/2011   |                |                           | <b>EMAIL</b> rschiro@djsimmons.com  |               |                 |              |               |  |
| <b>API NUMBER ASSIGNED</b><br>43037308700000   |                  |                    | <b>APPROVAL</b>  |                |                           | <br>Permit Manager  |               |                 |              |               |  |

**Directions:** Beginning in Dove Creek, Colorado, proceed southwest at the intersection of J Road and Highway 491 proceeding west for approximately 1.5 miles, thence turning south (left) on 6.00 Road for approximately 5.0 miles turning west (right) on P Road, thence continuing approximately 2.5 miles and then turning south (left) on 3.00 Road for approximately 1.1 miles thence turning west (right) on R Road for approximately 2.6 miles thus turning north (right) for approximately 0.17 of a mile thence angling northwest (left) onto a dirt road for approximately 0.56 of a mile to the well pad of UCOLO Well No.2.

The total distance from Dove Creek, Colorado to the UCOLO Well No. 2 well location is approximately 13.5 miles.

**Lat: 37.673910      Long: -109.047703**

**Location:** Surface: 1810.80' FNL, 1671.31' FEL  
Sec 10, T36S, R26E, San Juan, Utah

**Field:** Wildcat

**API #:** 43-037-30870

**Spud Date:** 3/18/83 drilled by Celcius Energy  
P&A'd 8/31/93

**Elevation:** 6625' GR, 6640' KB

**TD:** 6376', PBSD: 6320'

**Wellhead:** None

**Tubulars:**

Surface: 9 5/8" 36# casing set @ 1980', 880 sks

Intermediate:

Production: 7" 23# & 26# casing set @ 6374', 320 sks

Liner:

**"To Do" Items before rigging up:**

- **Notify regulatory offices as specified in COA.**
- Dig up PXA plate and 7' and 9 5/8" casing. Cut off casing below damage. Clean out inside below cut. Weld on slip collars. Make and screw in casing nipple such that flange of bradenhead is at ground level.
- Dig up mousehole and rathole. Make sure they are filled with gravel or cement, not location fill, rocks or junk.
- Install and test rig anchors.

**Procedure:**

- ▶ Nipple up BOP. Make sure wellhead and valves are in good, safe working order and tightened with proper torque including the wellhead and casing nipple before continuing.
- ▶ Pick up an open 4 3/4" open mill tooth bit with 2 drill collars (if you have crown room) to drill a pilot hole in the surface plug.
- ▶ Circulate well to check condition of old drilling mud below plug.
- ▶ Lay down 4 3/4" bit and pick up 6 1/4" open mill tooth bit to drill surface plug to gauge.
- ▶ Trip in hole to 2nd plug at 1920' +/- to drill cement, cement retainer and cement to 2045' +/-.
- ▶ Trip in hole to tag cement on top of CIBP at 6250'. Cement should be 6200'+/-.
- ▶ Circulate well clean and displace with 2% KCl water.
- ▶ We will run cement bond log and start completion from here.

**CONFIDENTIAL**

### Ucolo No. 2

Location: Surface: 1810.80' FNL, 1671.31' FEL  
Sec 10, T36S, R26E, San Juan, Utah

Field: Wildcat

Zones: Desert Creek 6304' - 6312'

API #: 43-037-30870

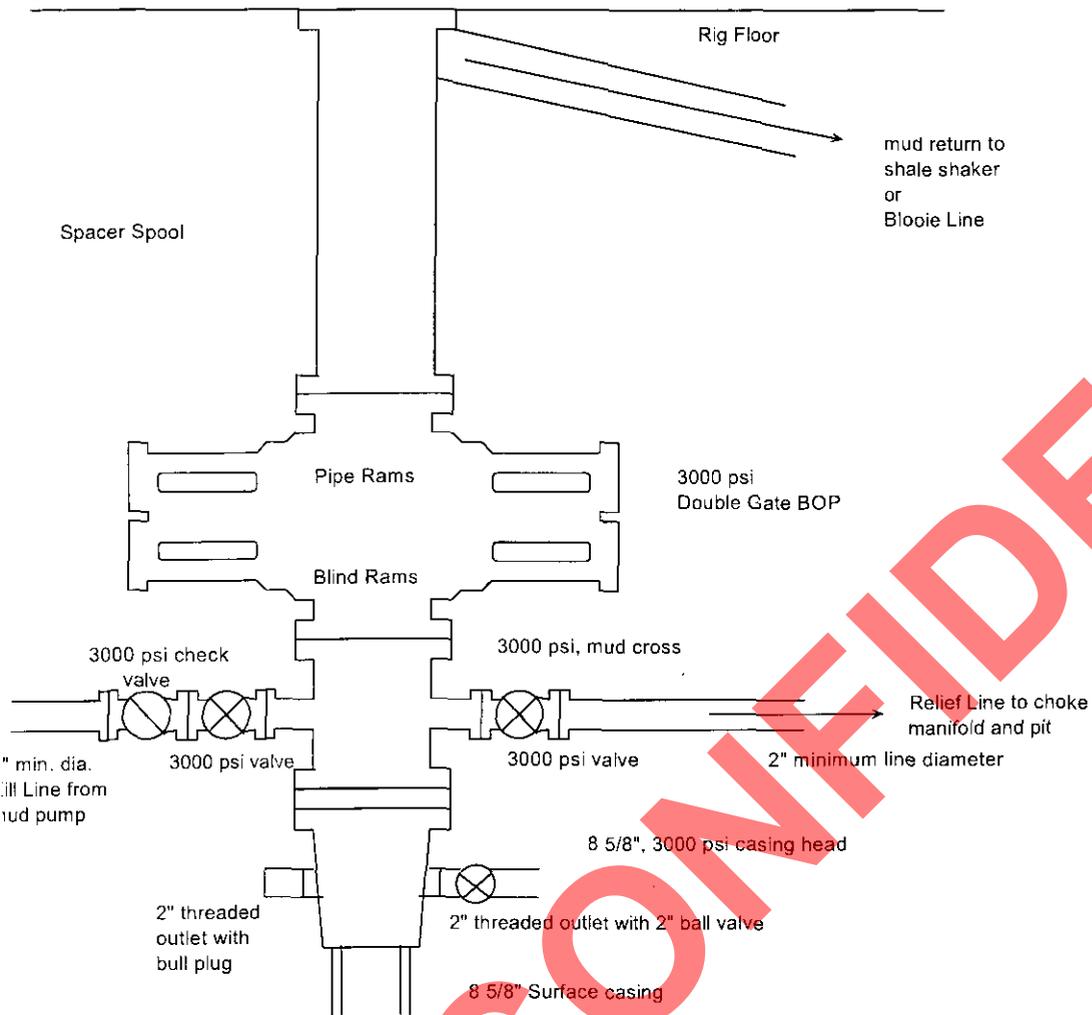
Spud Date: 3/18/83 drilled by Celcius Energy  
P&A'd 8/31/93



**CONFIDENTIAL**

### BOPE SCHEMATIC UCOLO #2 Well

Figure 1



BOP Installation from Surface Casing to TD, 3000 psi double gate BOP equipped with blind and pipe rams and rotating head. All equipment rated at 3000 psi or greater working pressure.

Figure 1

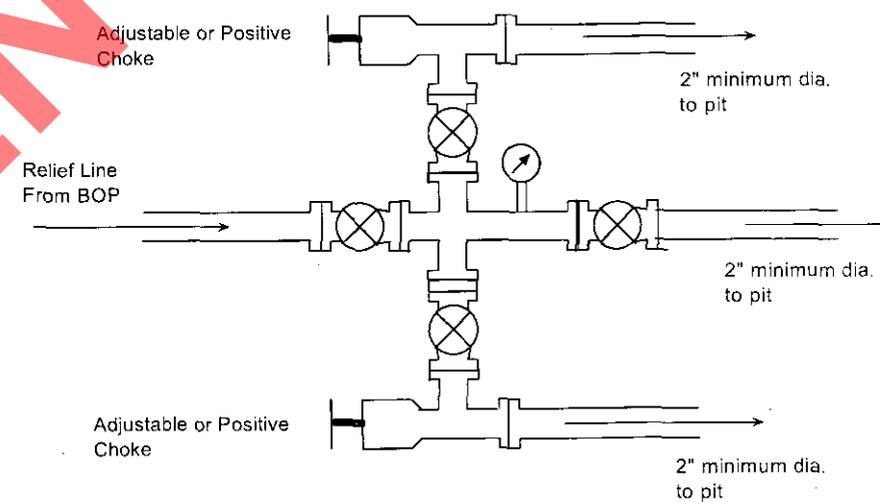
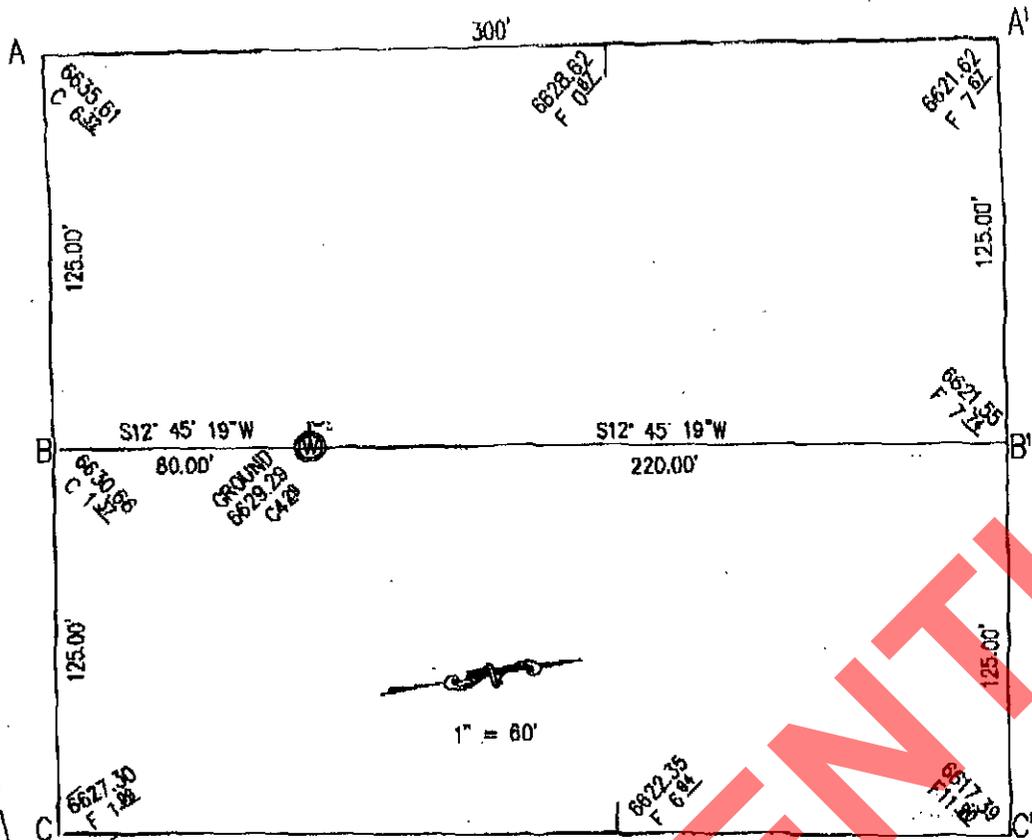


Figure 2



DJ SIMMONS INC.  
 OPERATOR

Ucolo Well No. 2  
 WELL NAME and NUMBER

1810.80 F/NL    1671.31 F/EL  
 FOOTAGES

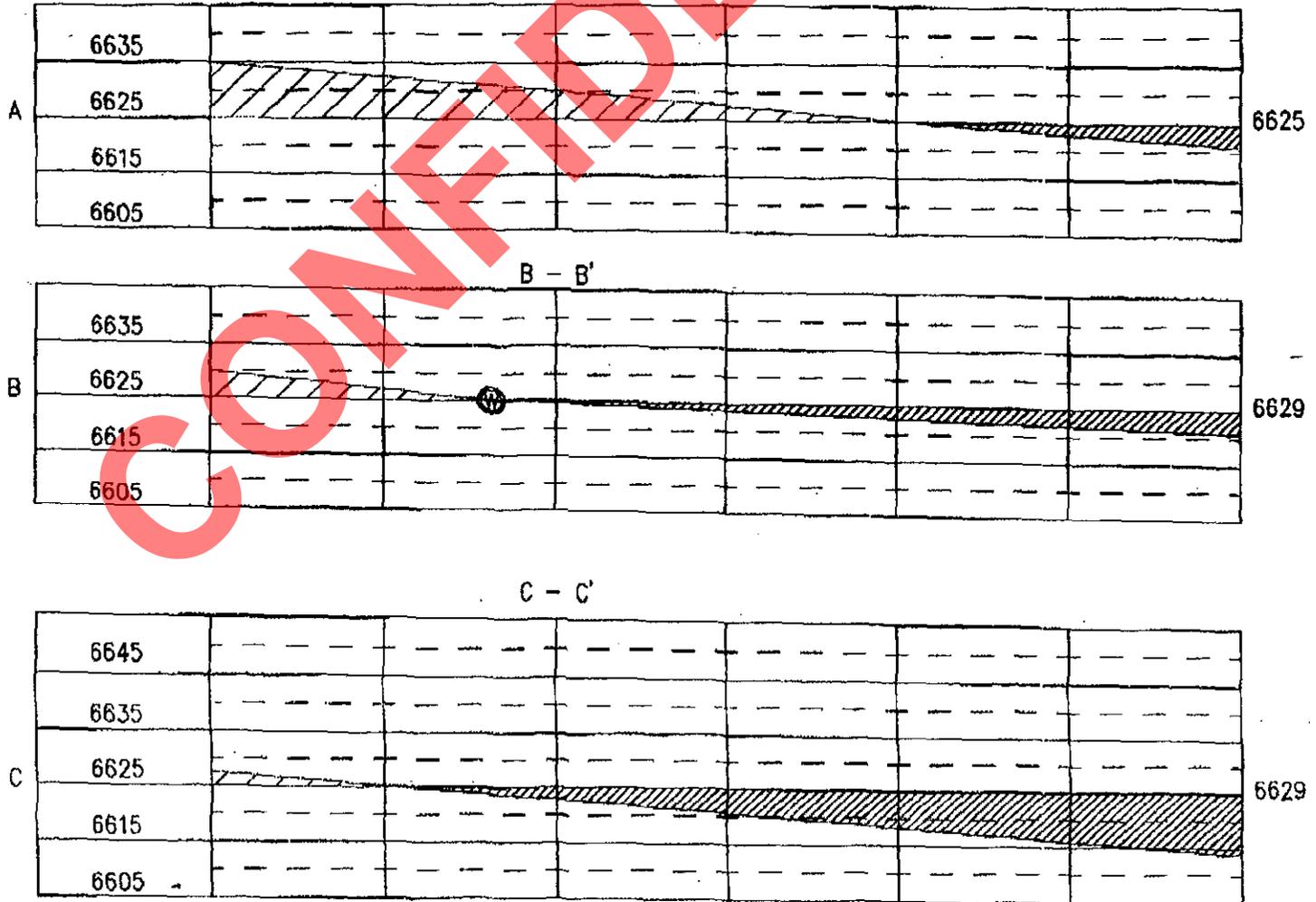
10    36S    26E  
 SEC.    TWP.    RGE.

San Juan,    UTAH  
 COUNTY    STATE

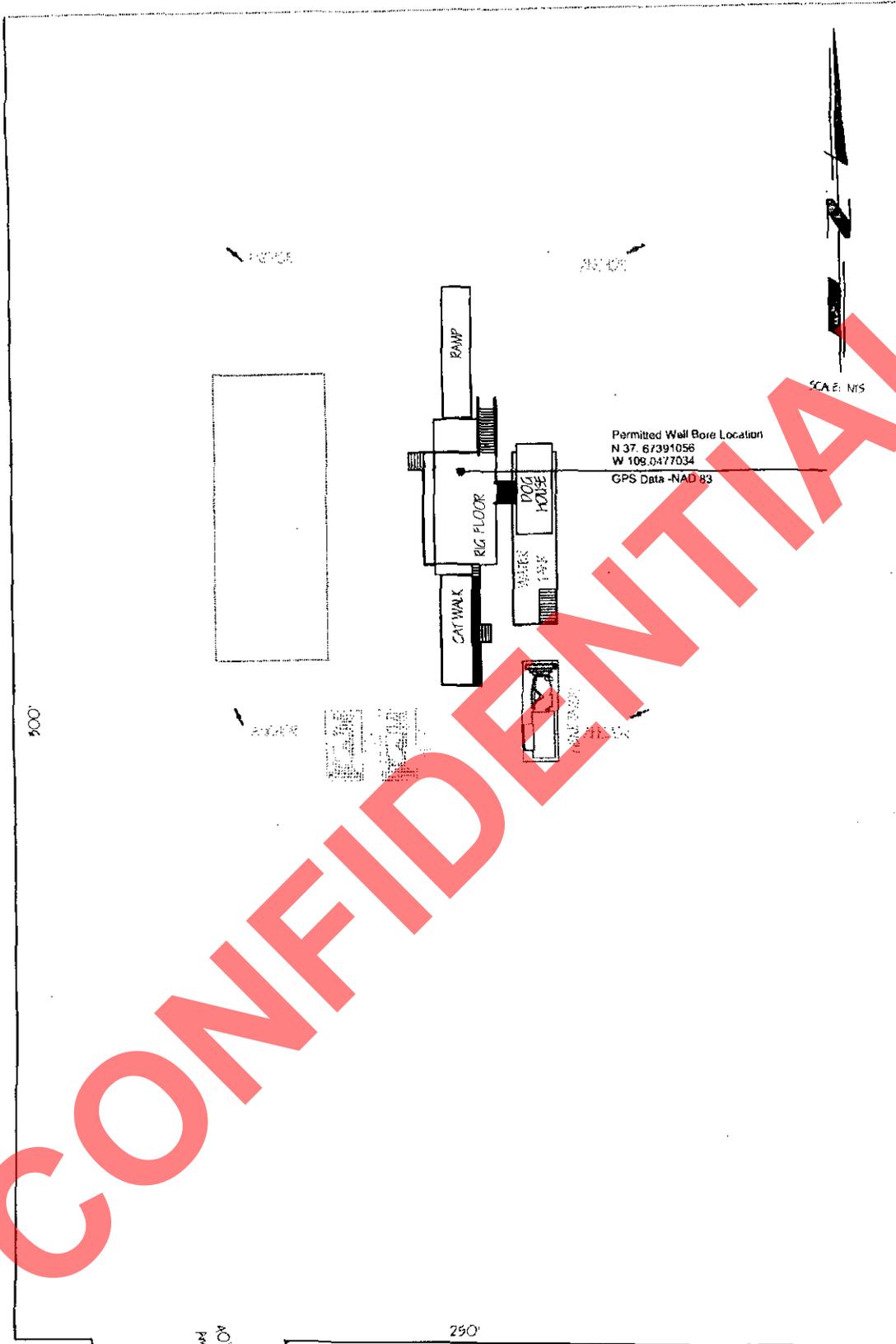
OCTOBER 27, 2009  
 DATE

PAD IS LOCATED IN A PLOWED FIELD

SCALE  
 Horiz. 1" = 50'  
 Vert. 1" = 30'



290'



SCALE: 1"=100'

Permitted Well Bore Location  
N 37. 67391056  
W 109.0477034  
GPS Data -NAD 83

300'

300'

290'

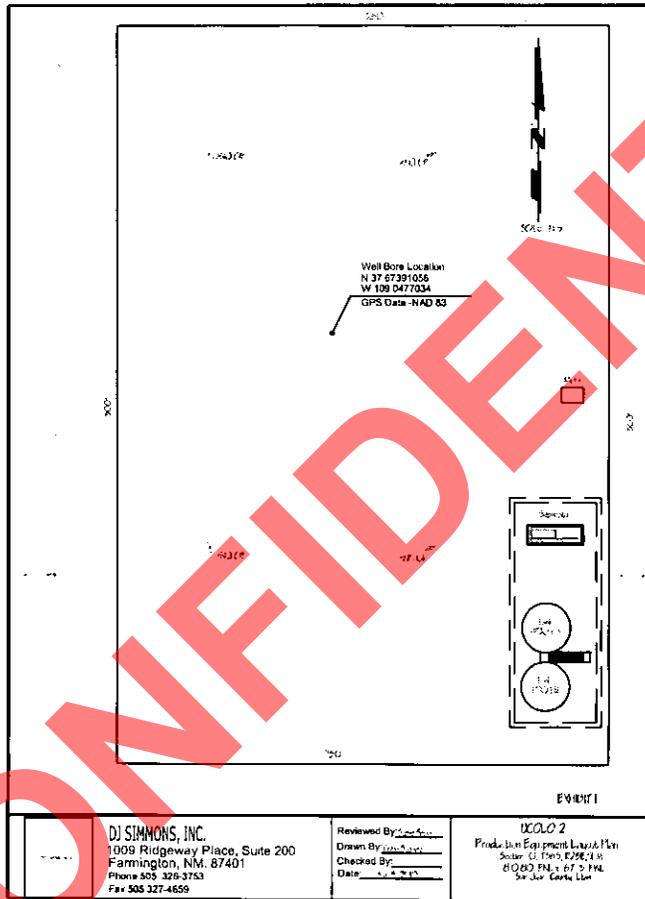
40' Access Road  
And Pipeline ROW

EXHIBIT 2

DJ SIMMONS, INC.  
1009 Ridgeway Place, Suite 200  
Farmington, NM. 87401  
Phone 505 326-3753  
Fax 505 327-4659

Reviewed By: Steve Sacks  
Drawn By: Craig Starrey  
Checked By: \_\_\_\_\_  
Date: Aug 9, 2010

UCOLO #2  
Drilling Equipment Layout Plan  
Section: 10, R365, R26E, S1M,  
1810.80 PNL x 1671.21' FWL  
San Juan County, Utah



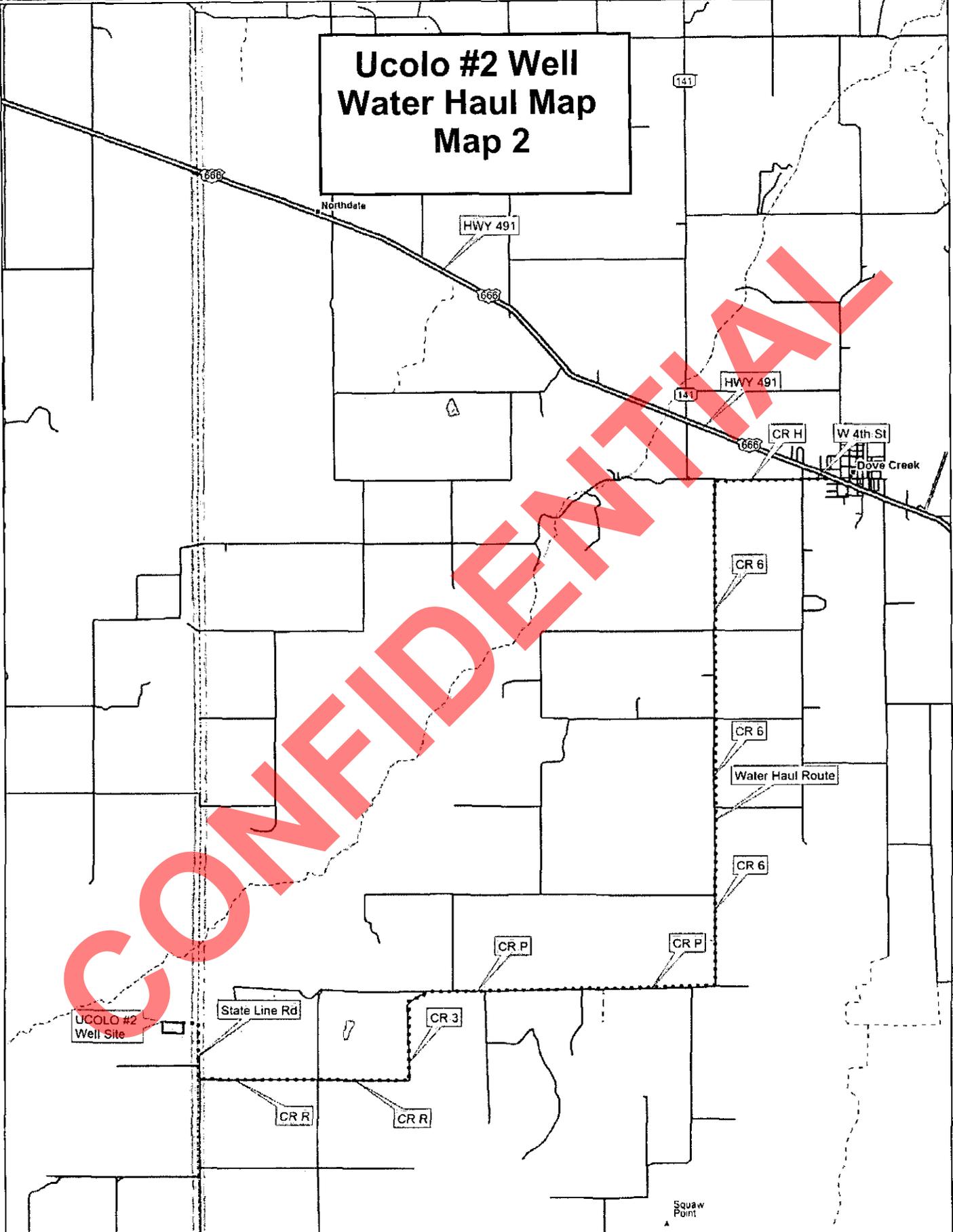
DJ SIMMONS, INC.  
1009 Ridgeway Place, Suite 200  
Farmington, NM, 87401  
Phone 505 328-3753  
Fax 505 327-4659

Reviewed By: \_\_\_\_\_  
Drawn By: \_\_\_\_\_  
Checked By: \_\_\_\_\_  
Date: \_\_\_\_\_

UCO 02  
Production Equipment Layout Plan  
Sector: U. Ops. E220.01A  
8000 PLS 67 3 PLS  
Dr. Jon Garth Lee



# Ucolo #2 Well Water Haul Map Map 2



UCOLO #2 Well Site

State Line Rd

CR 3

CR R

CR R

CR P

CR P

CR 6

CR 6

CR 6

CR H

W 4th St

Dove Creek

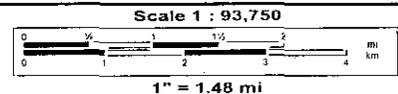
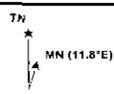
141

HWY 491

666

Northdate

Squaw Point



UTAH WELL LOCATION PLAT

OPERATOR DJ SIMMONS INC.  
 LEASE UCOLO WELL NO. 2 WELL NO. 2  
 SECTION 10 TOWNSHIP 36 SOUTH RANGE 26 EAST S.L.M.  
 COUNTY San Juan UTAH  
 FOOTAGE LOCATION OF WELL: 1810.80 FEET FROM THE North LINE and  
1671.31 FEET FROM THE East LINE and

GROUND LEVEL ELEVATION: 6629.29

SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'

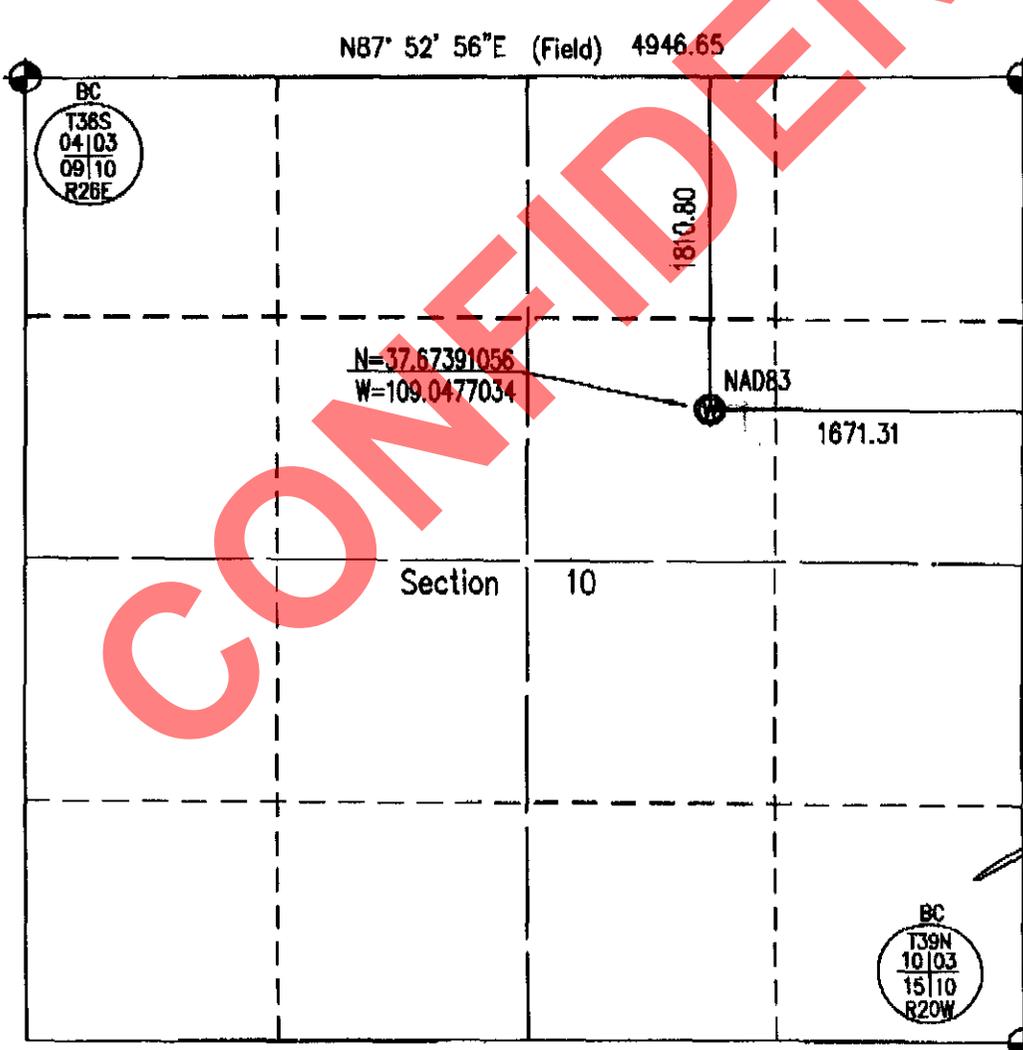
BASIS OF BEARING: GPS Data

BASIS OF ELEVATION: GPS Data - NAD 83 - PDOP #1.4

500' 500'  
1" = 1000'

Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings, or other future improvements.

- GLO BC (1912)
- WELL Location
- STONE Marked
- ALUMINUM CAP



I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed wellhead, unless noted otherwise.

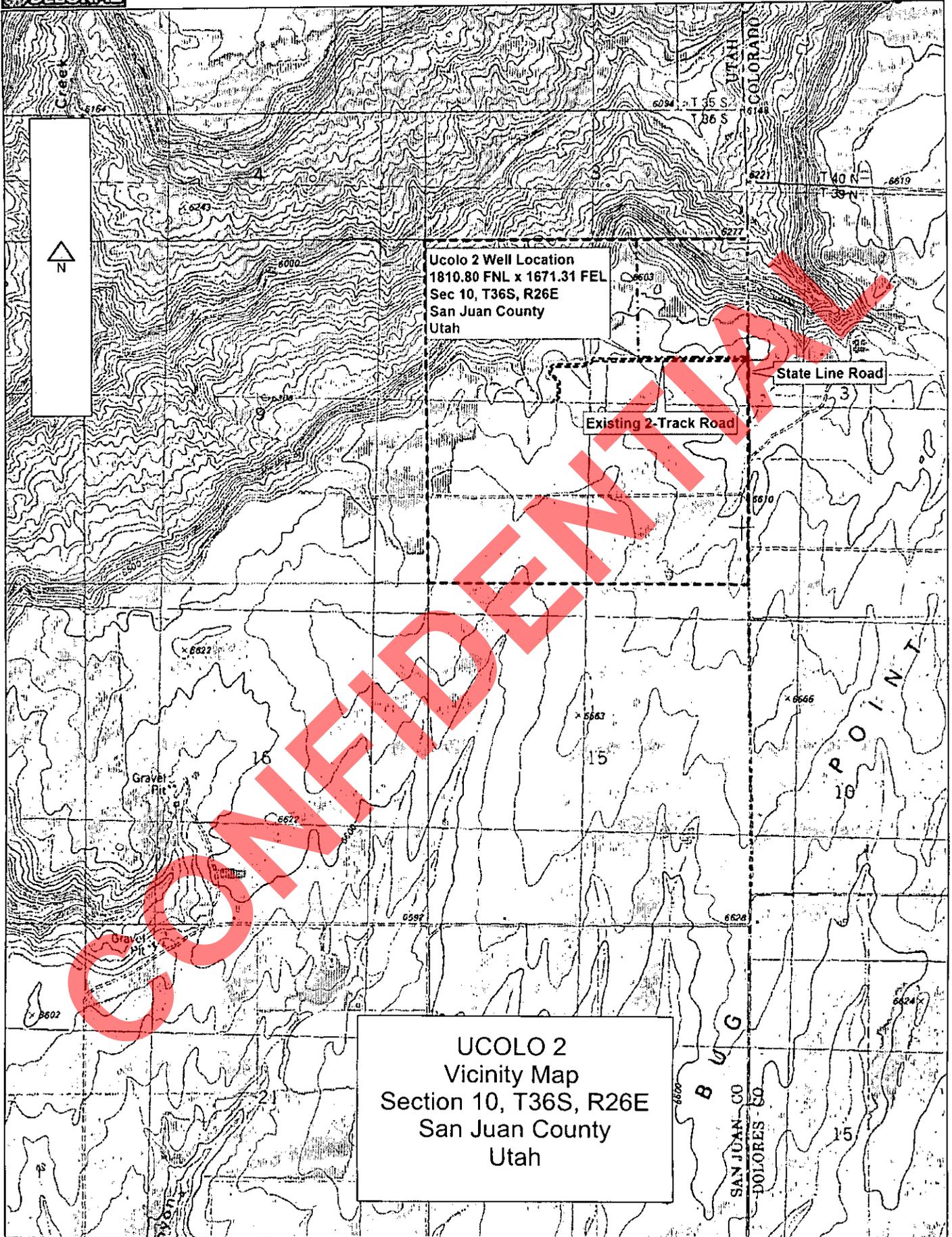


John D. Wayne  
Professional L.S. #171252  
State of Utah

OCTOBER 27, 2009  
Date Surveyed:  
OCTOBER 29, 2009  
Date Platted:

SCALE: 1" = 1000'

RECEIVED: Oct. 19, 2010

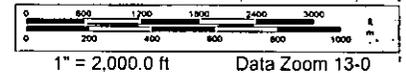


Data use subject to license.

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www.delorme.com

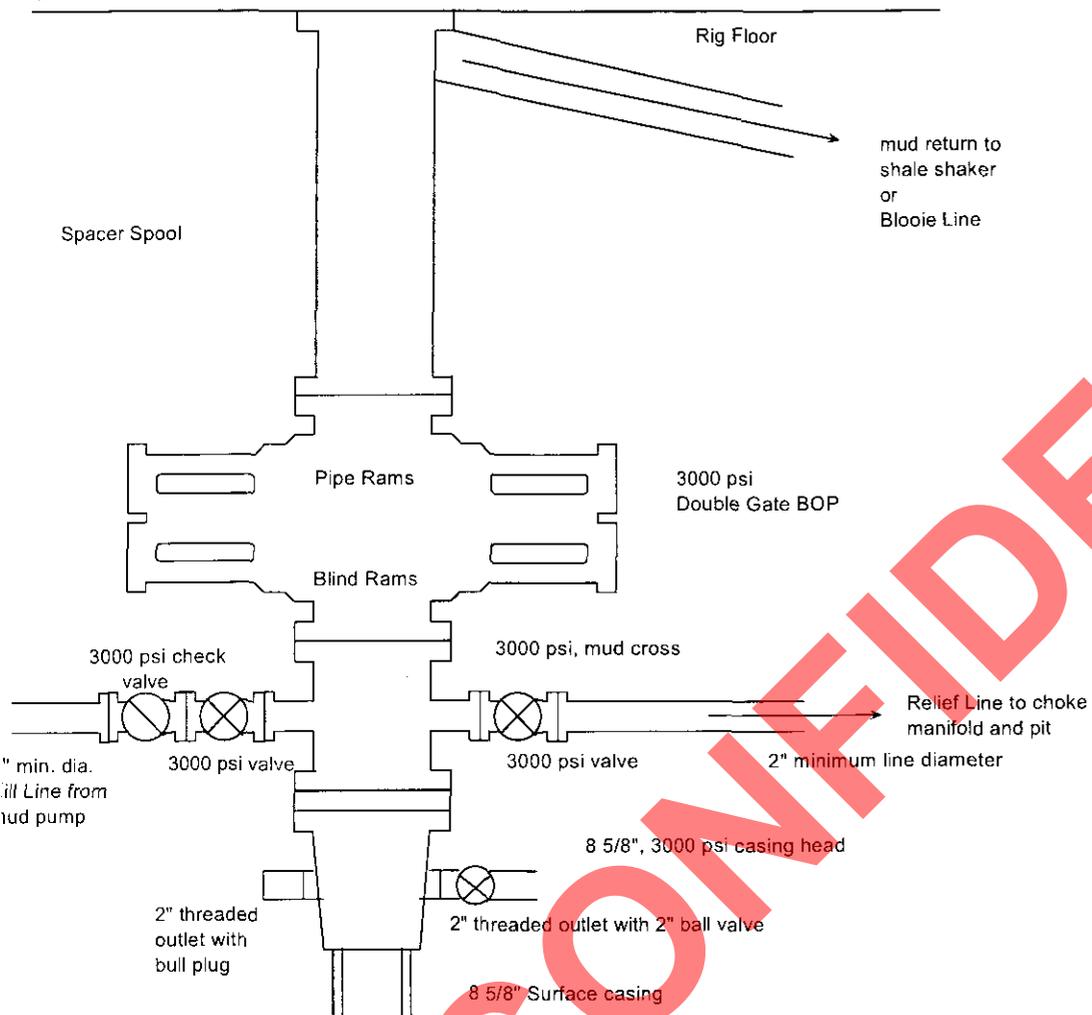
Scale 1 : 24,000



RECEIVED: Oct. 19, 2010

### BOPE SCHEMATIC UCOLO #2 Well

Figure 1



BOP Installation from Surface Casing to TD, 3000 psi double gate BOP equipped with blind and pipe rams and rotating head. All equipment rated at 3000 psi or greater working pressure.

Figure 1

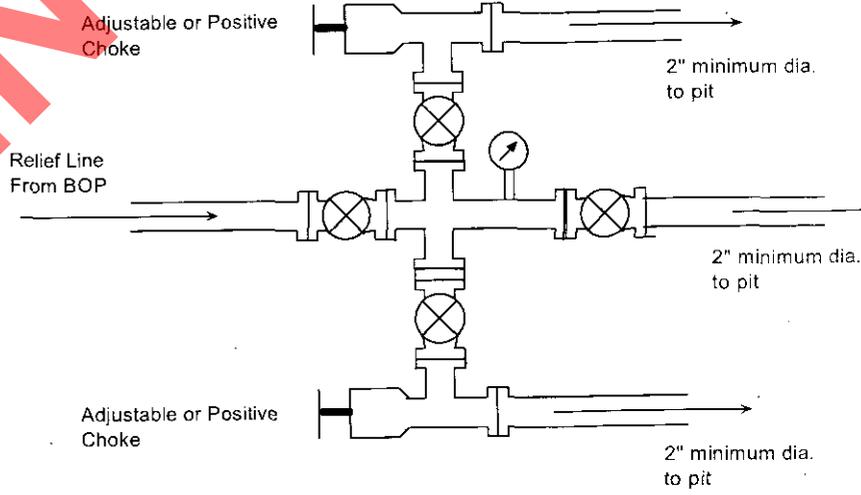
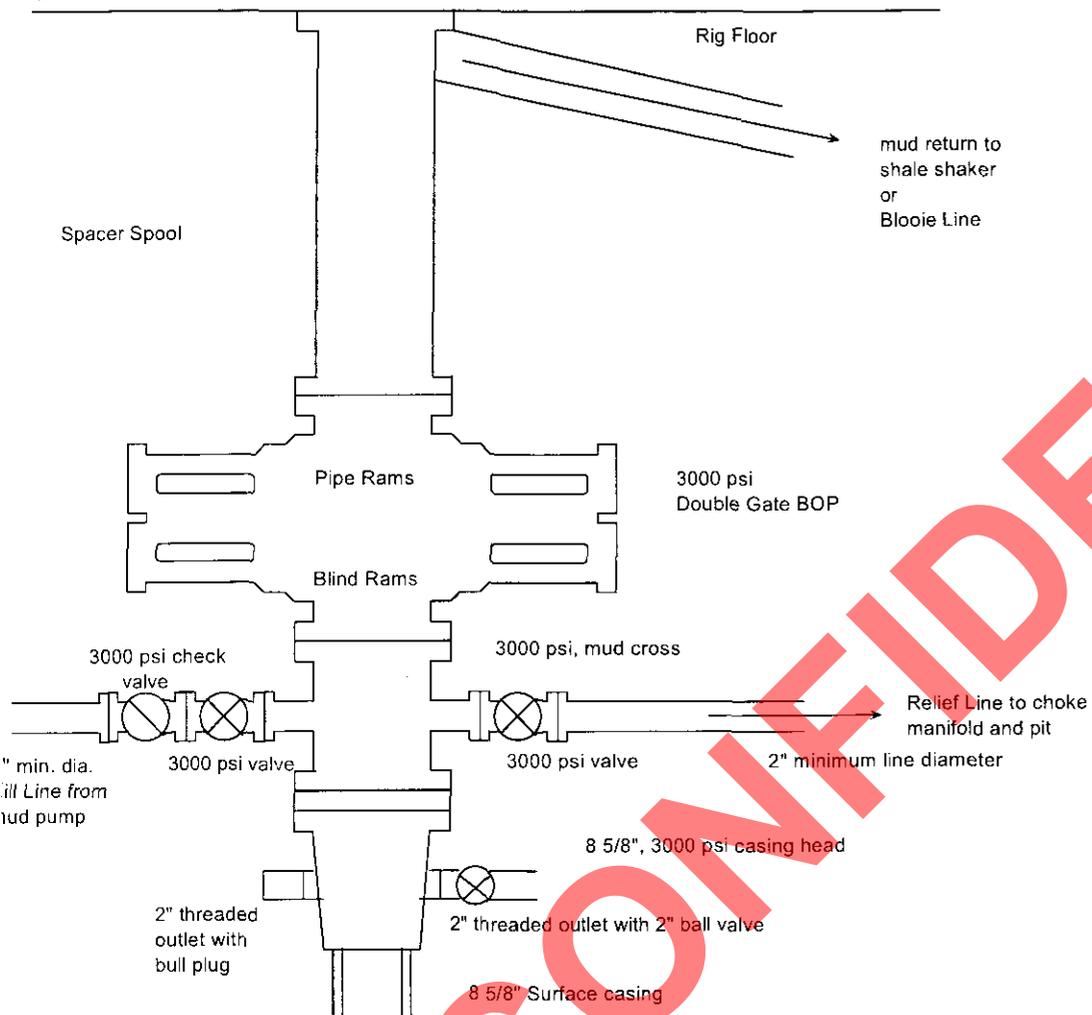


Figure 2

BOPE SCHEMATIC  
UCOLO #2 Well

Figure 1



BOP Installation from Surface Casing to TD, 3000 psi double gate BOP equipped with blind and pipe rams and rotating head. All equipment rated at 3000 psi or greater working pressure.

Figure 1

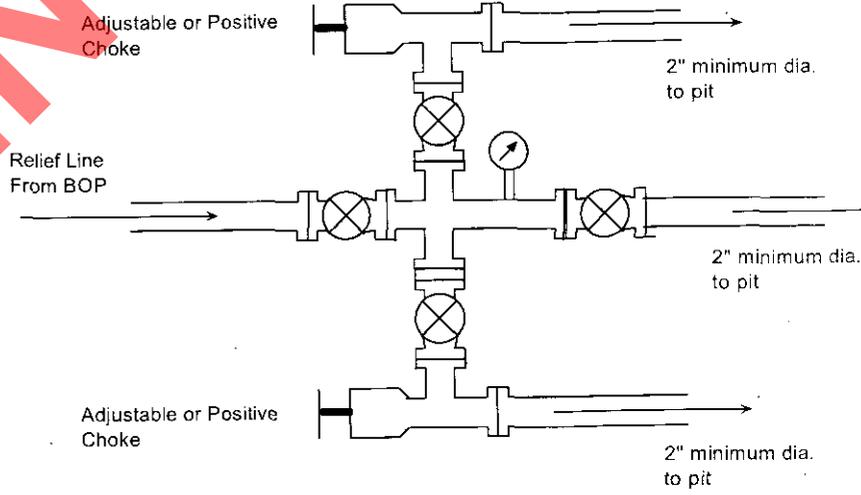


Figure 2

## SURFACE DAMAGE AGREEMENT & RELEASE

### KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration of the sum of Ten and More Dollars (\$10.00+), this day paid to the undersigned Terence Michael Tobin and Sandra J. Tobin, Husband and Wife, hereinafter called "Owner" (whether one or more), by D.J. Simmons Company Limited Partnership (hereinafter "Simmons"), receipt of which is hereby acknowledged, the undersigned and assignees under this Agreement, as said Owners of the hereinafter described lands, do hereby release Simmons, its assignees, agents and employees from any and all claims for damages to the surface of the hereinafter described lands resulting directly or indirectly from the drilling, completion, operation, maintenance and/or abandonment of the Ucolo #2 (the "Well") situated upon and under the hereinafter described lands and more particularly described on **Exhibit "A"** attached hereto and made a part hereof.

THE undersigned further releases Simmons, its assignees, from any and all claims for damages for loss of growing crops on the hereinafter described lands resulting directly or indirectly from the drilling, completion, operation, maintenance and/or abandonment of the well identified above.

THE consideration paid hereunder shall also compensate the undersigned for damages sustained or which may be sustained, as a direct or indirect result of construction, maintenance and subsequent use of any and all access roads and production facilities necessary for Simmons, its successors, agents, and employees to properly conduct operations and maintenance activities associated with the well identified above.

THE lands to which this Release shall apply are described as follows:

Township 36 South, Range 26 East, SLM  
Section 10: SW/4NE/4 Except the East 10 Acres  
San Juan County, Utah  
(the "land")

THIS AGREEMENT & RELEASE IS SUBJECT TO THE TERMS AND CONDITIONS SET OUT IN **EXHIBIT "B"** ATTACHED HERETO AND MADE A PART HEREOF.

THE terms of this written Agreement shall constitute the full agreement between the parties hereto and no modification or amendment of this Agreement shall be effective unless made in writing and signed by the parties.

IN WITNESS WHEREOF, this Release is voluntarily entered into and executed this 10 Day of June, 2010.

"OWNERS"

D.J. SIMMONS COMPANY  
LIMITED PARTNERSHIP

By: *Terence Michael Tobin*  
Terence Michael Tobin

By: *John A. Byrom*  
D.J. Simmons, Inc.  
It's General Partner  
John A. Byrom  
President

By: *Sandra J. Tobin*  
Sandra J. Tobin



UCOLO Well NO. 2 (Reentry)  
Surface Use Plan  
1,810.80' FNL & 1,671.31' FEL  
Sec. 10, T36S, R26E, SLM

**1. Existing Roads and Driving Directions**

Beginning in Dove Creek, Colorado, proceed southwest at the intersection of J Road and Highway 491 proceeding west for approximately 1.5 miles, thence turning south (left) on 6.00 Road for approximately 5.0 miles turning west (right) on P Road, thence continuing approximately 2.5 miles and then turning south (left) on 3.00 Road for approximately 1.1 miles thence turning west (right) on R Road for approximately 2.6 miles thus turning north (right) for approximately 0.17 of a mile thence angling northwest (left) onto a dirt road for approximately 0.56 of a mile to the well pad of UCOLO Well No.2.

The total distance from Dove Creek, Colorado to the UCOLO Well No. 2 well location is approximately 13.5 miles.

All are existing roads to the proposed well location and are located in Dolores County, Colorado, and San Juan County, Utah (see Driving Map No. 1).

**2. Proposed Well, Access Road and Pipeline**

The proposed reentry to the UCOLO Well No. 2 is located in the SW1/4NE1/4 (1,810.80' FNL & 1,671.31' FEL) Sec. 10, T36S, R26E, SLM (see vicinity map), located on fee land in San Juan County, Utah.

DJ Simmons, Inc. proposes to upgrade and maintain the 0.56 mile (3,003-feet) in length by 24-foot width of access road that is existing. The upgrade of the access road would require grading (to remove weeds on road) by a blade. The road will be maintained at this size until abandonment. The farming area adjacent to the road is certified under the federal program as "Organic Farming." All weed maintenance for the life of the project would be conducted by mechanical or manual but at no time will the weeds be sprayed by any chemicals. The approximate acreage for the proposed access road would be 1.65 acres which is fee owned but under a right-of-way agreement with DJ Simmons, Inc.

The reconstructed well pad which is presently being farmed would be 300-feet by 250-feet and the well pad would be re-leveled by grading with a blade. The proposed well pad will not have an earthen reserve pit but DJ Simmons will employ the use of a closed loop system to drill out the concrete plug. The well pad would then provide space for the drilling and completion rig and associated facilities including trailers, light plant, steel or fiber tank in lieu of a reserve pit, and water tanks. The area of the well pad would encompass 1.72 acres.

The proposed well pipeline is an existing underground steel pipeline that runs from the plugged and abandoned well pad to an existing valve set owned by Anadarko and the Anadarko pipeline. The total distance of the existing pipeline is 1.04 miles (5,507.12-feet) from the proposed UCOLO Well No. 2 Reentry to the valve set of the Anadarko Pipeline located in the NE1/4 of Sec. 10, T36S, R26E, SLM. Since the well tie pipeline is still in place the only disturbance would be at the valve set which would require an area of 50-feet long by 40-feet wide for tying in. The approximate disturbance acreage for the well pipeline tie would be 0.04.

The total acreage of disturbance for this reentry well project would be approximately 1.76.

### **3. Location of Production Facilities**

In the event of production, anticipated production facilities are shown on Exhibit No. 1. The proposed production facilities will be located on the proposed reentry well pad.

### **4. Water Supply**

Water for the recompletion of the well will be hauled by truck from Dove Creek, Colorado municipal water department approximately 13.5 miles northeast. Transport route is shown on Map No. 2.

### **5. Source of Construction Materials**

No additional construction materials will be required to build the proposed well location, access road, or well tie in to the Anadarko valve set and pipeline.

### **6. Methods for Handling Waste Disposal**

Any cuttings, fluids and completion fluids will be placed in the steel or fiber container. After completing the well the container will be allowed to evaporate and the cuttings will be land farmed on site.

Upon completion and if the reentry well is a producer then the unused portion of the well pad will be reclaimed by contouring and reseeding (stipulated landowner seed mix) to as near a natural state as possible. In case of no production and the well is plugged and abandoned then all well pad will be reclaimed by contouring and reseeding (stipulated landowner cash crop seed mix) to as near a natural state as possible. The existing access road will remain for the use of the landowner for farming access.

All garbage and trash materials will be contained on location in an industry approved trash container and will be removed from the site and disposed of in accordance with federal, state, or local laws governing the disposal of garbage and trash materials. No hazardous waste materials or the generation of any hazardous waste materials are anticipated on site. Should any hazardous waste material be generated through the

recompletion process then the San Juan County Emergency Preparedness Team will be notified and all state and federal regulations regarding handling and disposal will be adhered to as specified by the jurisdictional agency.

Industry approved portable chemical toilets will be provided and maintained during the reentry and completion process. Said toilets will also be tied down to prevent toppling.

**7. Ancillary Facilities**

No ancillary facilities are planned.

**8. Well Site, Drilling Equipment, Access Road, and Well Tie Location**

Location of drilling equipment, rig orientation, access road approach, and well tie locations are shown on Exhibit No. 2.

**9. Plans or Restoration of Surface and Vegetation**

The UCOLO Well No. 2 (Reentry) is currently being used by the landowner for farming. The restoration plan would entail recontouring and leaving the soil ripped to a rough state so the farmer can come in a plant the cash crop.

**10. Surface Ownership**

The surface ownerships including names, addresses, and telephone numbers are as follows:

Mr. Terence Michael Tobin  
160 Applewood Drive  
Fruita, CO 81521

Cell Phone: 970-739-8459

**11. Other Information**

A Cultural Resources Survey was conducted by Woods Canyon Archaeological Consultants on May 10, 2010 and the Cultural Resources Survey Report was submitted to the Utah State Historic Preservation Office (SHPO) in Salt Lake City, Utah, on June 10, 2010. Cultural clearance was requested from SHPO for the proposed reentry of the UCOLO Well No. 2. The area lies outside any known paleontological areas.

The well pad has been utilized for farming for many years with the exception of when the original well was drilled.

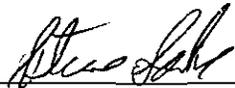
**12. Lessee's or Operator's Representative**

DJ Simmons, Inc.  
P.O. Box 1469  
Farmington, NM 87499

Telephone (505) 326-3753 Ext 127  
Fax (505) 327-4659

**13. Certification**

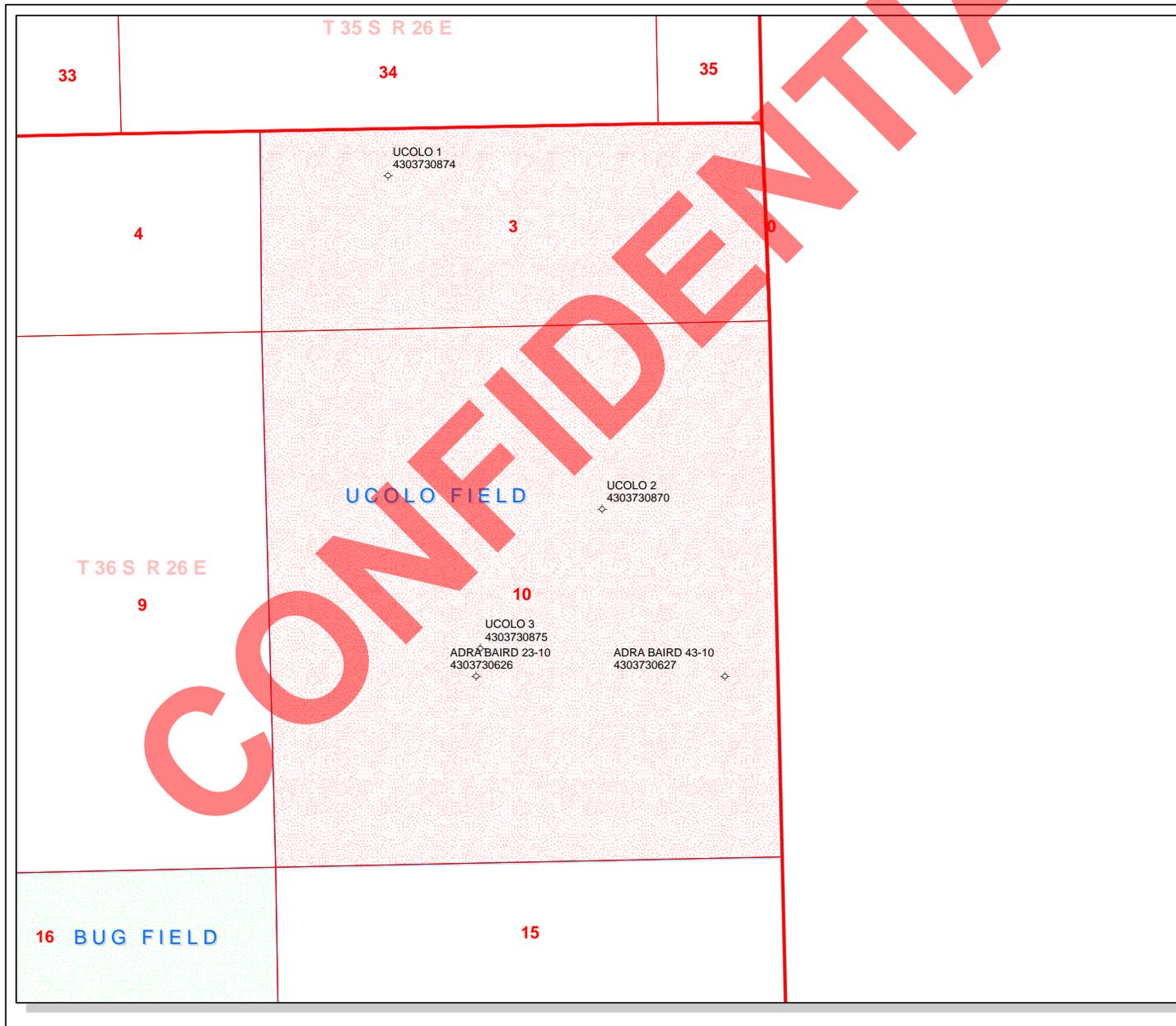
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the work associated with the proposed operations will be performed by DJ Simmons, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.



\_\_\_\_\_  
Steve Sacks  
Regulatory & Permitting Specialist  
DJ Simmons, Inc.

Dated 10/19/2010

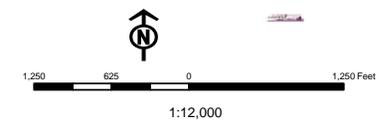
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**API Number: 4303730870**  
**Well Name: UCOLO 2**  
**Township 36.0 S Range 26.0 E Section 10**  
**Meridian: SLBM**  
 Operator: D J SIMMONS, INC

Map Prepared:  
 Map Produced by Diana Mason

- |               |                                    |
|---------------|------------------------------------|
| <b>Units</b>  | <b>Wells Query</b>                 |
| <b>STATUS</b> | <b>Status</b>                      |
| ACTIVE        | APD - Approved Permit              |
| EXPLORATORY   | DRL - Spudded (Drilling Commenced) |
| GAS STORAGE   | GIW - Gas Injection                |
| NF PP OIL     | GS - Gas Storage                   |
| NF SECONDARY  | LA - Location Abandoned            |
| PI OIL        | LOC - New Location                 |
| PP GAS        | OPS - Operation Suspended          |
| PP GEOTHERML  | PA - Plugged Abandoned             |
| PP OIL        | PGW - Producing Gas Well           |
| SECONDARY     | POW - Producing Oil Well           |
| TERMINATED    | RET - Returned APD                 |
| <b>Fields</b> | SGW - Shut-in Gas Well             |
| Unknown       | SOW - Shut-in Oil Well             |
| ABANDONED     | TA - Temp. Abandoned               |
| ACTIVE        | TW - Test Well                     |
| COMBINED      | WDW - Water Disposal               |
| INACTIVE      | WIW - Water Injection Well         |
| STORAGE       | WSW - Water Supply Well            |
| TERMINATED    |                                    |
| Sections      |                                    |
| Township      |                                    |



|  |   |       |  |  |
|--|---|-------|--|--|
| Well Name                                | D J SIMMONS, INC UCOLO 2 43037308700000 |       |  |  |
| String                                   | Surf                                    | Prod  |  |  |
| Casing Size(")                           | 9.625                                   | 7.000 |  |  |
| Setting Depth (TVD)                      | 1980                                    | 6374  |  |  |
| Previous Shoe Setting Depth (TVD)        | 0                                       | 1980  |  |  |
| Max Mud Weight (ppg)                     | 9.3                                     | 9.3   |  |  |
| BOPE Proposed (psi)                      | 0                                       | 3000  |  |  |
| Casing Internal Yield (psi)              | 3520                                    | 7240  |  |  |
| Operators Max Anticipated Pressure (psi) | 2550                                    | 7.7   |  |  |

|   |  |       |  |
|---|--|-------|--|
| Calculations                                  | Surf String  | 9.625 | "  |
| Max BHP (psi)                                 | .052*Setting Depth*MW=                             | 958   |  |
|   |  |       | <b>BOPE Adequate For Drilling And Setting Casing at Depth?</b> |
| MASP (Gas) (psi)                              | Max BHP-(0.12*Setting Depth)=                      | 720   | NO   |
| MASP (Gas/Mud) (psi)                          | Max BHP-(0.22*Setting Depth)=                      | 522   | NO   |
|   |  |       | <b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>   |
| Pressure At Previous Shoe                     | Max BHP-.22*(Setting Depth - Previous Shoe Depth)= | 522   | NO   |
| Required Casing/BOPE Test Pressure=           |  | 1980  | psi  |
| *Max Pressure Allowed @ Previous Casing Shoe= |  | 0     | psi *Assumes 1psi/ft frac gradient                             |

|   |  |       |  |
|---|--|-------|--|
| Calculations                                  | Prod String  | 7.000 | "  |
| Max BHP (psi)                                 | .052*Setting Depth*MW=                             | 3082  |  |
|   |  |       | <b>BOPE Adequate For Drilling And Setting Casing at Depth?</b> |
| MASP (Gas) (psi)                              | Max BHP-(0.12*Setting Depth)=                      | 2317  | YES  |
| MASP (Gas/Mud) (psi)                          | Max BHP-(0.22*Setting Depth)=                      | 1680  | YES OK   |
|   |  |       | <b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>   |
| Pressure At Previous Shoe                     | Max BHP-.22*(Setting Depth - Previous Shoe Depth)= | 2115  | NO OK  |
| Required Casing/BOPE Test Pressure=           |  | 3000  | psi  |
| *Max Pressure Allowed @ Previous Casing Shoe= |  | 1980  | psi *Assumes 1psi/ft frac gradient                             |

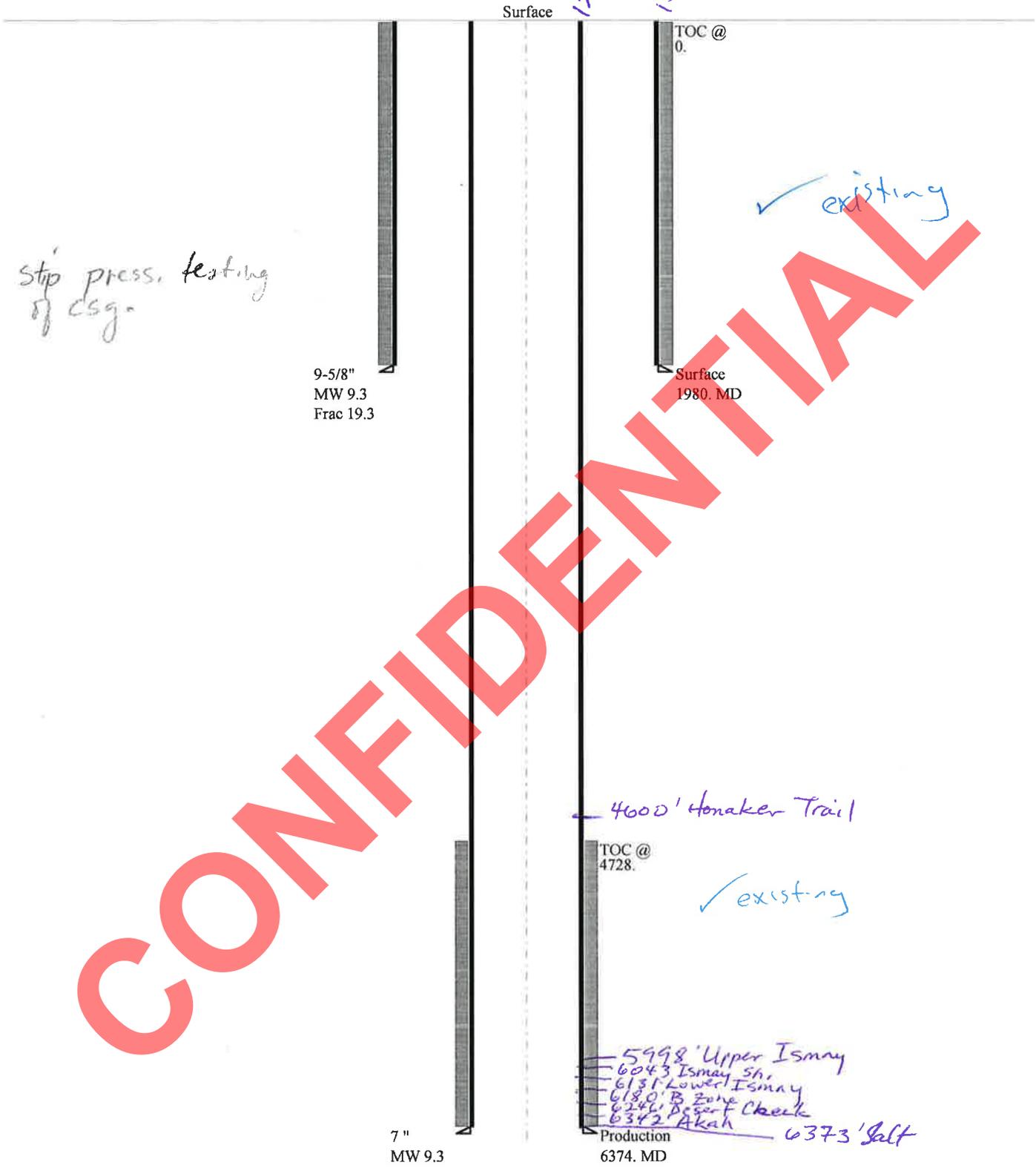
|   |  |  |  |
|---|--|--|--|
| Calculations                                  | String   |  | "  |
| Max BHP (psi)                                 | .052*Setting Depth*MW=                             |  |  |
|   |  |  | <b>BOPE Adequate For Drilling And Setting Casing at Depth?</b> |
| MASP (Gas) (psi)                              | Max BHP-(0.12*Setting Depth)=                      |  | NO   |
| MASP (Gas/Mud) (psi)                          | Max BHP-(0.22*Setting Depth)=                      |  | NO   |
|   |  |  | <b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>   |
| Pressure At Previous Shoe                     | Max BHP-.22*(Setting Depth - Previous Shoe Depth)= |  | NO   |
| Required Casing/BOPE Test Pressure=           |  |  | psi  |
| *Max Pressure Allowed @ Previous Casing Shoe= |  |  | psi *Assumes 1psi/ft frac gradient                             |

|                                     |  |  |  |
|-------------------------------------|--|--|--|
| Calculations                        | String   |  | "  |
| Max BHP (psi)                       | .052*Setting Depth*MW=                             |  |  |
|                                     |  |  | <b>BOPE Adequate For Drilling And Setting Casing at Depth?</b> |
| MASP (Gas) (psi)                    | Max BHP-(0.12*Setting Depth)=                      |  | NO   |
| MASP (Gas/Mud) (psi)                | Max BHP-(0.22*Setting Depth)=                      |  | NO   |
|                                     |  |  | <b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>   |
| Pressure At Previous Shoe           | Max BHP-.22*(Setting Depth - Previous Shoe Depth)= |  | NO   |
| Required Casing/BOPE Test Pressure= |  |  | psi  |

**CONFIDENTIAL**

# 43037308700000 UCOLO 2

## Casing Schematic



|              |                               |             |              |
|--------------|-------------------------------|-------------|--------------|
| Well name:   | <b>43037308700000 UCOLO 2</b> |             |              |
| Operator:    | <b>D J SIMMONS, INC</b>       |             |              |
| String type: | Surface                       | Project ID: | 43-037-30870 |
| Location:    | SAN JUAN COUNTY               |             |              |

**Design parameters:**

**Collapse**

Mud weight: 9.300 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 1,742 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 1,980 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.70 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.50 (B)

Tension is based on air weight.  
 Neutral point: 1,708 ft

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 102 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft

Cement top: Surface

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 6,374 ft  
 Next mud weight: 9.300 ppg  
 Next setting BHP: 3,079 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 1,980 ft  
 Injection pressure: 1,980 psi

| Run Seq | Segment Length (ft) | Size (in)               | Nominal Weight (lbs/ft) | Grade            | End Finish           | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in)     | Est. Cost (\$)        |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1       | 1980                | 9.625                   | 36.00                   | K-55             | ST&C                 | 1980                 | 1980                | 8.765                   | 18243                 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor  | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor  | Tension Load (kips) | Tension Strength (kips) | Tension Design Factor |
| 1       | 957                 | 2020                    | 2.112                   | 1980             | 3520                 | 1.78                 | 71.3                | 423                     | 5.93 J                |

Prepared by: Helen Sadik-Macdonald  
 Div of Oil, Gas & Mining

Phone: 801-538-5357  
 FAX: 801-359-3940

Date: March 28, 2011  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 1980 ft, a mud weight of 9.3 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

|              |                               |             |              |
|--------------|-------------------------------|-------------|--------------|
| Well name:   | <b>43037308700000 UCOLO 2</b> |             |              |
| Operator:    | <b>D J SIMMONS, INC</b>       |             |              |
| String type: | Production                    | Project ID: | 43-037-30870 |
| Location:    | SAN JUAN COUNTY               |             |              |

**Design parameters:**

**Collapse**

Mud weight: 9.300 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 1,677 psi  
 Internal gradient: 0.220 psi/ft  
 Calculated BHP: 3,079 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.60 (B)

Tension is based on air weight.  
 Neutral point: 5,523 ft

Estimated cost: 41,519 (\$)

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 163 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft

Cement top: 4,728 ft

**Non-directional string.**

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Est. Cost (\$) |
|---------|---------------------|-----------|-------------------------|-------|------------|----------------------|---------------------|---------------------|----------------|
| 2       | 5900                | 7         | 23.00                   | K-55  | ST&C       | 5900                 | 5900                | 6.25                | 37305          |
| 1       | 474                 | 7         | 26.00                   | N-80  | LT&C       | 6374                 | 6374                | 6.151               | 4214           |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (kips) | Tension Strength (kips) | Tension Design Factor |
|---------|---------------------|-------------------------|------------------------|------------------|----------------------|---------------------|---------------------|-------------------------|-----------------------|
| 2       | 2850                | 3240                    | 1.137                  | 2975             | 4360                 | 1.47                | 148                 | 309                     | 2.09 J                |
| 1       | 3079                | 5410                    | 1.757                  | 3079             | 7240                 | 2.35                | 12.3                | 519                     | 42.11 J               |

Prepared by: Helen Sadik-Macdonald  
 Div of Oil, Gas & Mining

Phone: 801 538-5357  
 FAX: 801-359-3940

Date: March 28, 2011  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 6374 ft, a mud weight of 9.3 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** D J SIMMONS, INC  
**Well Name** UCOLO 2  
**API Number** 43037308700000      **APD No** 3057      **Field/Unit** UNDESIGNATED  
**Location: 1/4,1/4** SWNE      **Sec** 10      **Tw** 36.0S      **Rng** 26.0E      1810 FNL 1671 FEL  
**GPS Coord (UTM)**      **Surface Owner** Terence Michael Tobin & Sandra J. Tobin

### Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGGM), Robin Schiro-DJ Simmons, Inc., Scott Elmer-DJ Simmons, Inc. Invited and choosing not to attend: Greg Adams-San Juan County and Michael Tobin-surface owner.

### Regional/Local Setting & Topography

The proposed project is located ~12 miles south of Eastland in San Juan County Utah. Access to the site is best achieved through Dove Creek in Dolores County, Colorado. Locally the proposed project is surrounded by agriculture lands used to grow dry land crops including small grains, sun flower, saflower, beans, alfalfa and dry land pasture. Regionally the project area is within in the Colorado Plateau in the Four corners area. The Four Corners area is know for it native American ruins and culture. The Colorado Plateau is distinguished by is broad mesas cut by spectacular sandstone canyons. Climates in this region tends to be arid, with a sparsely vegetated landscape prone to erosion. Topography rises sharply to the west reaching elevations in excess of 11,000 atop the Abaho Mountains. Montane forest and high elevation grass/forb communities dominate vegetation. To the east a series of mesas rise to the Rico Mountains. Vegetation is a mixture of salt desert scrub, Pinion/Juniper and montane forest. Precipitation at the project site is considered a 14" zone. Drainage flows into Monument Canyon within a 1/2 mile and onto the San Juan River 50 miles away.

### Surface Use Plan

**Current Surface Use**  
Agricultural

|                       |                       |                           |                          |
|-----------------------|-----------------------|---------------------------|--------------------------|
| <b>New Road Miles</b> | <b>Well Pad</b>       | <b>Src Const Material</b> | <b>Surface Formation</b> |
|                       | <b>Width   Length</b> | Onsite                    | ALLU                     |

### **Ancillary Facilities**

Access road is exisiting from previously drilled well in the 1980's

### Waste Management Plan Adequate?

### Environmental Parameters

**Affected Floodplains and/or Wetlands** N

### **Flora / Fauna**

None, disked dry land field.

### **Soil Type and Characteristics**

Cahone very fine sandy loam-reddish brown very fine sandy loam

### **Erosion Issues** Y

Severe hazard to wind erosion

### **Sedimentation Issues** N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Interim reclamation will include return to use as dry land field.

Paleo Survey Run? N Paleo Potential Observed? N Cultural Survey Run? N Cultural Resources? N

**Reserve Pit**

| Site-Specific Factors             | Site Ranking      |                     |
|-----------------------------------|-------------------|---------------------|
| Distance to Groundwater (feet)    | 20                |                     |
| Distance to Surface Water (feet)  | 300 to 1000       | 2                   |
| Dist. Nearest Municipal Well (ft) | 1320 to 5280      | 5                   |
| Distance to Other Wells (feet)    | >1320             | 0                   |
| Native Soil Type                  | High permeability | 20                  |
| Fluid Type                        | Fresh Water       | 5                   |
| Drill Cuttings                    | Normal Rock       | 0                   |
| Annual Precipitation (inches)     | 10 to 20          | 5                   |
| Affected Populations              |                   |                     |
| Presence Nearby Utility Conduits  | Not Present       | 0                   |
| <b>Final Score</b>                | <b>57</b>         | 1 Sensitivity Level |

**Characteristics / Requirements**

APD has proposed and closed loop drilling system. APD proposed to "land farmed on site" in regards to cuttings. Land farming on site will require testing of contents and a review of analytical data by the Division. Disposal of cutting is recommended in this instance due to the relativly small amount anticipated, proximity to high quality subsurface water and use of surface as agriculture farm lands.

**Closed Loop Mud Required? Y Liner Required? Liner Thickness Pit Underlayment Required?**

**Other Observations / Comments**

Access road is existing for drilling activity in 1983. In its current condition the access road is a gravel surfaced raised bed road with a estimated 16' running surface. Access road will be maintained in its current state.

A permanent residence is located across the stateline in Colorado within 2000' of the proposed project area. Two surface ponds are located within 2500' and high quality ground water is thought to occur at the Dakota Sandstone in the area. Surface owner informed Division a spring is located 1/4 mile west of the proposed project area.

Bart Kettle  
**Evaluator**

2/23/2011  
**Date / Time**

# Application for Permit to Drill Statement of Basis

4/7/2011

## Utah Division of Oil, Gas and Mining

Page 1

|                  |  |               |                          |   |            |
|------------------|--|---------------|--------------------------|---|------------|
| <b>APD No</b>    | <b>API WellNo</b>  | <b>Status</b> | <b>Well Type</b>         | <b>Surf Owner</b>                       | <b>CBM</b> |
| 3057             | 43037308700000   | LOCKED        | GW                       | P                                       | No         |
| <b>Operator</b>  | D J SIMMONS, INC   |               | <b>Surface Owner-APD</b> | Terence Michael Tobin & Sandra J. Tobin |            |
| <b>Well Name</b> | UCOLO 2  |               | <b>Unit</b>              |   |            |
| <b>Field</b>     | UNDESIGNATED   |               | <b>Type of Work</b>      | REENTER                                 |            |
| <b>Location</b>  | SWNE 10 36S 26E S 1810 FNL 1671 FEL GPS Coord (UTM) 672230E 4171225N |               |                          |   |            |

### Geologic Statement of Basis

The proposed well is a reentry of a previously plugged well. There should be no ground water issues as the original casing and cement is in place. The well casing should be tested prior to completing the well.

Brad Hill  
APD Evaluator

3/3/2011  
Date / Time

### Surface Statement of Basis

On-site evaluation conducted February 23, 2011. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Robin Schiro-DJ Simmons, Inc., Scott Elmer-DJ Simmons, Inc. Invited and choosing not to attend: Greg Adams-San Juan County and Michael Tobin-surface owner.

Surface owner Michael Tobin unable to attend by provided provide comments to DOGM. Farm is managed as a certified organic farm, has such vegetation should be controlled mechanically or biologically without the aide of herbicide. Requested that all cuttings and drilling medium should be removed from the project site.

DOGM is permitting well as a closed loop drilling system per the APD. No reserve pit is being permit. Cuttings and drilling medium should be removed from the site and disposed at an authorized disposal site. Any land farming of materials will require composition testing and review by DOGM. Disposal of cuttings at appropriate facility is recommended in this instance due to the relitvly small amount anticipated, proximity to high quality subsurface water and use of surface as agriculture farm lands.

Access road should be maintained as a gravel surfaced raised bed road.

Bart Kettle  
Onsite Evaluator

2/23/2011  
Date / Time

### Conditions of Approval / Application for Permit to Drill

| Category | Condition   |
|----------|---|
| Drilling | The well casing shall be tested prior to completing the well.   |
| Pits     | A closed loop mud circulation system is required for this location.   |
| Surface  | All drilling mud and cuttings shall be removed from the well site at the end of drilling. The material shall be hauled to a DOGM approved site. |

## WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 1/5/2011

**API NO. ASSIGNED:** 43037308700000

**WELL NAME:** UCOLO 2

**OPERATOR:** D J SIMMONS, INC (N2520)

**PHONE NUMBER:** 505 236-3753

**CONTACT:** Robin Schiro

**PROPOSED LOCATION:** SWNE 10 360S 260E

**Permit Tech Review:**

**SURFACE:** 1810 FNL 1671 FEL

**Engineering Review:**

**BOTTOM:** 1810 FNL 1671 FEL

**Geology Review:**

**COUNTY:** SAN JUAN

**LATITUDE:** 37.67391

**LONGITUDE:** -109.04709

**UTM SURF EASTINGS:** 672230.00

**NORTHINGS:** 4171225.00

**FIELD NAME:** UNDESIGNATED

**LEASE TYPE:** 4 - Fee

**LEASE NUMBER:** Fee

**PROPOSED PRODUCING FORMATION(S):** DESERT CREEK

**SURFACE OWNER:** 4 - Fee

**COALBED METHANE:** NO

**RECEIVED AND/OR REVIEWED:**

- PLAT
- Bond: STATE/FEE - LOC#BOK08SDF04665
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: Dove Creek, CO
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

**Commingling Approved**

**LOCATION AND SITING:**

- R649-2-3.
- Unit:**
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No:** Cause 186-15(A)
- Effective Date:** 12/6/1985
- Siting:** See Cause Order
- R649-3-11. Directional Drill

**Comments:** Presite Completed  
920309 INT PA:OP FR N4850:

**Stipulations:** 5 - Statement of Basis - bhill  
7 - BOPE Test - ddoucet



GARY R. HERBERT  
*Governor*

GREGORY S. BELL  
*Lieutenant Governor*

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

### Permit To Drill

\*\*\*\*\*

**Well Name:** UCOLO 2  
**API Well Number:** 43037308700000  
**Lease Number:** Fee  
**Surface Owner:** FEE (PRIVATE)  
**Approval Date:** 4/7/2011

**Issued to:**

D J SIMMONS, INC , 1009 RIDGEWAY PL, STE 200, FARMINGTON, NM 87401

**Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 186-15(A). The expected producing formation or pool is the DESERT CREEK Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

**General:**

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**Conditions of Approval:**

The BOPE, including the 7" production casing string, shall be tested to 2000 psi upon nipping up, and prior to drilling out final plug.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

**Additional Approvals:**

The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet
- Plug and abandonment of the well – contact Dustin Doucet

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program – contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

**Contact Information:**

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office  
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office  
801-231-8956 - after office hours

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

**Approved By:**



For John Rogers  
Associate Director, Oil & Gas

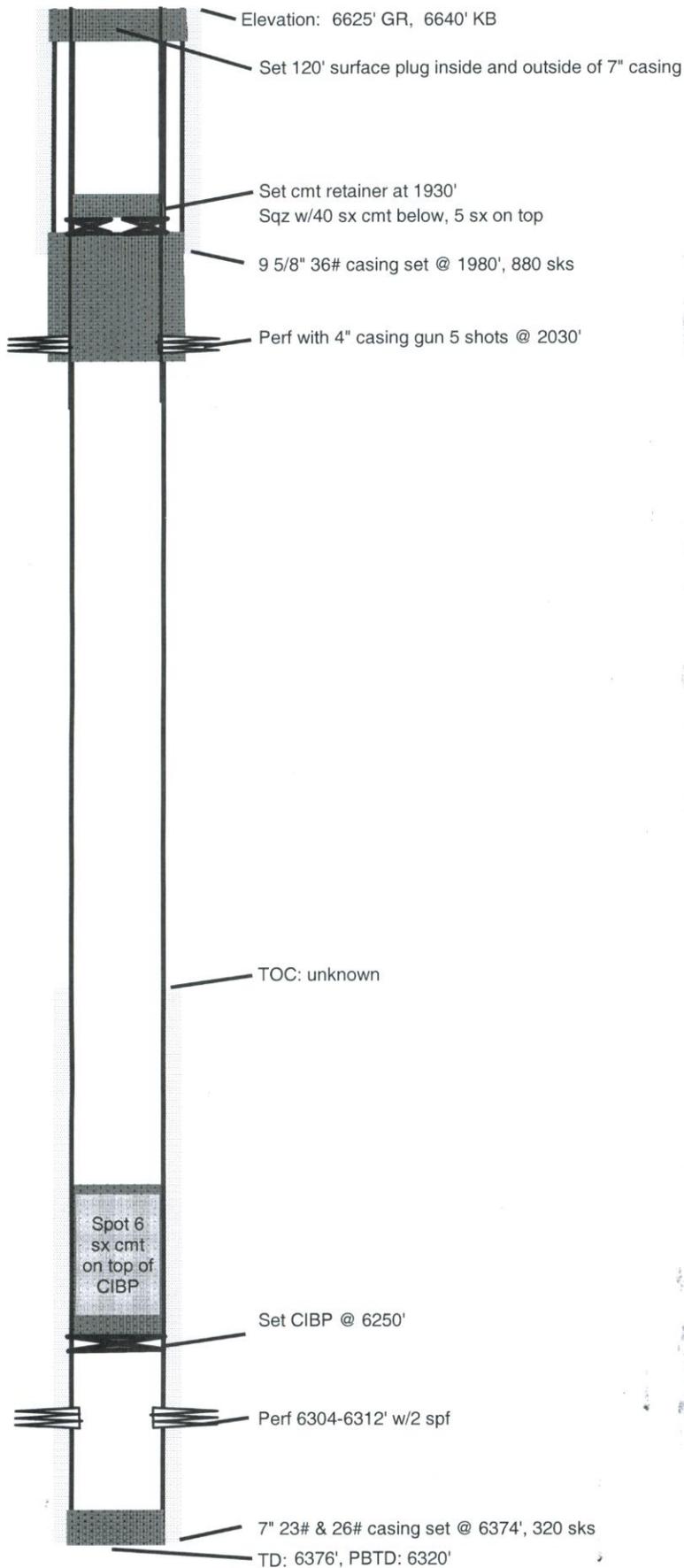
| STATE OF UTAH<br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING   |  | FORM 9  |
|--|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>Fee |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.   |  | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>          |
|  |  | <b>7. UNIT or CA AGREEMENT NAME:</b>                  |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>UCOLO 2   |   |
| <b>2. NAME OF OPERATOR:</b><br>D J SIMMONS, INC  | <b>9. API NUMBER:</b><br>43037308700000  |   |
| <b>3. ADDRESS OF OPERATOR:</b><br>1009 RIDGEWAY PL, STE 200 , FARMINGTON, NM, 87401  | <b>PHONE NUMBER:</b><br>505 326-3753 Ext   | <b>9. FIELD and POOL or WILDCAT:</b><br>UNDESIGNATED  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1810 FNL 1671 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: SWNE Section: 10 Township: 36.0S Range: 26.0E Meridian: S  | <b>COUNTY:</b><br>SAN JUAN   |   |
|  |  | <b>STATE:</b><br>UTAH                                 |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  |  |   |
| <b>TYPE OF SUBMISSION</b>  | <b>TYPE OF ACTION</b>  |   |
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>10/10/2011<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date: | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION<br><input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER |   |
|  | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input checked="" type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> APD EXTENSION<br>OTHER: <input style="width: 100px;" type="text"/>   |   |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.   |  |   |
| See Attached P & A Wellbore Sketch, Completion Wellbore Sketch and Completion Procedure.   |  |   |
| <b>Approved by the<br/>Utah Division of<br/>Oil, Gas and Mining</b><br><br><b>Date:</b> 09/26/2011<br><b>By:</b> <u>Dark K. Quist</u>  |  |   |
| <b>NAME (PLEASE PRINT)</b><br>Craig Starkey  | <b>PHONE NUMBER</b><br>505 326-3753  | <b>TITLE</b><br>Permitting                            |
| <b>SIGNATURE</b><br>N/A  | <b>DATE</b><br>9/22/2011   |   |



DJ SIMMONS, INC.

## Ucolo No. 2

Sundry Number: 18745 API Well Number: 43037308700000



Location: Surface: 1810.80' FNL, 1671.31' FEL  
Sec 10, T36S, R26E, San Juan, Utah

Field: Wildcat

Zones: Desert Creek 6304' - 6312'

API #: 43-037-30870

Spud Date: 3/18/83 drilled by Celcius Energy  
P&A'd 8/31/93

**RECEIVED**

Sep. 22, 2011



DJ SIMMONS, INC.

## Ucolo No. 2

Sundry Number: 18745 API Well Number: 43037308700000

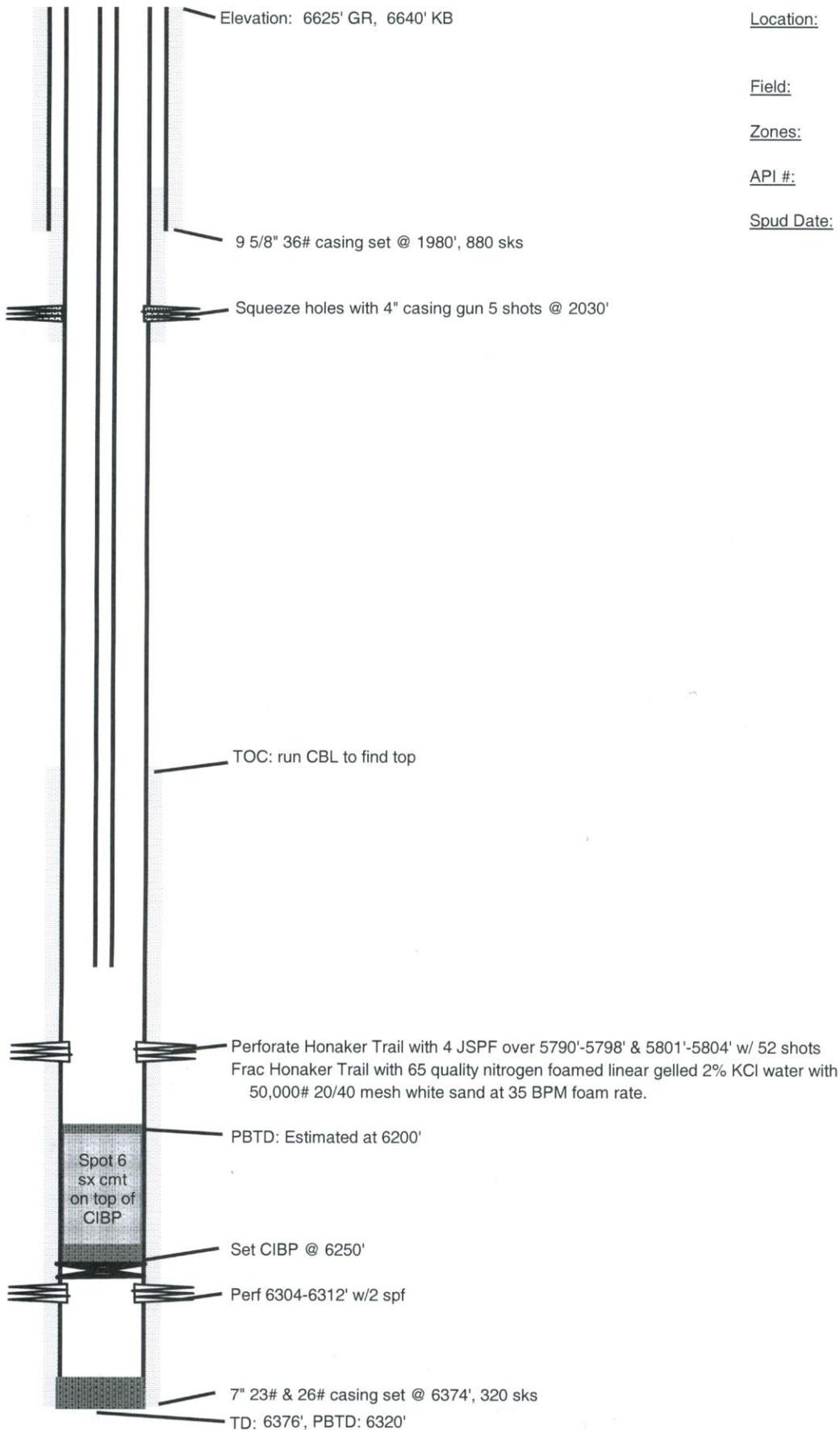
Location: Surface: 1810.80' FNL, 1671.31' FEL  
Sec 10, T36S, R26E, San Juan, Utah

Field: Wildcat

Zones: Desert Creek 6304' - 6312'

API #: 43-037-30870

Spud Date: 3/18/83 drilled by Celcius Energy  
P&A'd 8/31/93



**RECEIVED**

Sep. 22, 2011

Sundry Number: 18745 API Well Number: 43037308700000

Directions: Beginning at the intersection of Colorado State Highway 491 and CR 7 located at the north west city limits of Dove Creek Colorado. Turn south on CR J travel approximately 2 city blocks, turn west on CR 6 and travel approximately 1 mile. Turn south at "T" intersection for 5 3/4 miles on CR 6. Turn west on CR P for 3 1/4 miles to "Y" intersection. Turn left continuing south for 1 mile. Turn west for 2 1/2 miles. Turn north at "T" intersection for 1/2 mile. Turn left to location.

**Lat: 37.673910      Long: -109.047703**

Location: Surface: 1810.80' FNL, 1671.31' FEL  
Sec 10, T36S, R26E, San Juan, Utah

Field: Wildcat

API #: 43-037-30870

Spud Date: 3/18/83 drilled by Celcius Energy  
P&A'd 8/31/93

Elevation: 6625' GR, 6640' KB

TD: 6376', PBTD: 6320'

Wellhead: None

Tubulars:

Surface: 9 5/8" 36# casing set @ 1980', 880 sks

Intermediate:

Production: 7" 23# & 26# casing set @ 6374', 320 sks

Liner:

**"To Do" Items before rigging up:**

- **Notify regulatory officies as specified in COA.**
- Dig up PXA plate and 7' and 9 5/8" casing. Cut off casing below damage. Clean out inside below cut. Weld on 7" and 9 5/8" slip collars. Make and screw in casing nipples such that flange of bradenhead is at ground level and the wellhead is 18"+/- above ground level.
- Install and test rig anchors.

**Procedure:**

#### Move in and rig up well service unit and equipment. Follow all the rules of government and company policies.

#### Nipple up at least 3,000psi BOP. Will need rams for 2 7/8" tubing. Make sure wellhead and valves are in good, safe working order and tightened with proper torque including the wellhead and casing nipple before continuing.

Sundry Number: 18745 API Well Number: 43037308700000

**Test BOP and associated well control equipment to 2,000psi.**

- #### Pressure test casing to 2000psi for 30 minutes after drilling out of cement.
- #### Run cement bond log to check cement quality, find cement top and get correlation log to open hole logs.
- #### Use 4" guns to perforate Hoanaker Trail with 4 JSPF 90 deg phase over 5790'-5798' & 5801'-5804' (52 shots). Please shoot top shot and work down. Check fluid level differences between runs.
- #### Frac Honaker Trail down 3 1/2" tubing with 65 quality nitrogen foamed linear gelled 2% KCl water with 50,000# 20/40 mesh white sand at 35 BPM foam rate. Get ISIP, 5min, 10min & 15min shutin pressures. Service company procedure is attached.

| STATE OF UTAH<br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING   |  | FORM 9  |
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| <b>1. TYPE OF WELL</b><br>Gas Well   |  | <b>8. WELL NAME and NUMBER:</b><br>UCOLO 2            |
| <b>2. NAME OF OPERATOR:</b><br>D J SIMMONS, INC  |  | <b>9. API NUMBER:</b><br>43037308700000               |
| <b>3. ADDRESS OF OPERATOR:</b><br>1009 RIDGEWAY PL, STE 200 , FARMINGTON, NM, 87401  | <b>PHONE NUMBER:</b><br>505 326-3753 Ext   | <b>9. FIELD and POOL or WILDCAT:</b><br>UNDESIGNATED  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1810 FNL 1671 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: SWNE Section: 10 Township: 36.0S Range: 26.0E Meridian: S  |  | <b>COUNTY:</b><br>SAN JUAN                            |
|  |  | <b>STATE:</b><br>UTAH                                 |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  |  |   |
| <b>TYPE OF SUBMISSION</b>  | <b>TYPE OF ACTION</b>  |   |
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>11/11/2011<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date: | <input checked="" type="checkbox"/> <b>ACIDIZE</b><br><input type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b><br><input type="checkbox"/> <b>CHANGE WELL STATUS</b><br><input type="checkbox"/> <b>DEEPEN</b><br><input type="checkbox"/> <b>OPERATOR CHANGE</b><br><input type="checkbox"/> <b>PRODUCTION START OR RESUME</b><br><input type="checkbox"/> <b>REPERFORATE CURRENT FORMATION</b><br><input type="checkbox"/> <b>TUBING REPAIR</b><br><input type="checkbox"/> <b>WATER SHUTOFF</b><br><input type="checkbox"/> <b>WILDCAT WELL DETERMINATION</b><br><input type="checkbox"/> <b>ALTER CASING</b><br><input type="checkbox"/> <b>CHANGE TUBING</b><br><input type="checkbox"/> <b>COMMINGLE PRODUCING FORMATIONS</b><br><input checked="" type="checkbox"/> <b>FRACTURE TREAT</b><br><input type="checkbox"/> <b>PLUG AND ABANDON</b><br><input type="checkbox"/> <b>RECLAMATION OF WELL SITE</b><br><input type="checkbox"/> <b>SIDETRACK TO REPAIR WELL</b><br><input type="checkbox"/> <b>VENT OR FLARE</b><br><input type="checkbox"/> <b>SI TA STATUS EXTENSION</b><br><input type="checkbox"/> <b>OTHER</b> |   |
|  | <input type="checkbox"/> <b>CASING REPAIR</b><br><input type="checkbox"/> <b>CHANGE WELL NAME</b><br><input type="checkbox"/> <b>CONVERT WELL TYPE</b><br><input type="checkbox"/> <b>NEW CONSTRUCTION</b><br><input type="checkbox"/> <b>PLUG BACK</b><br><input type="checkbox"/> <b>RECOMPLETE DIFFERENT FORMATION</b><br><input type="checkbox"/> <b>TEMPORARY ABANDON</b><br><input type="checkbox"/> <b>WATER DISPOSAL</b><br><input type="checkbox"/> <b>APD EXTENSION</b><br>OTHER: <input style="width: 100px;" type="text"/>   |   |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.   |  |   |
| Attached is the procedure for completion to the Honaker Trail.   |  |   |
| <p style="color: red; font-weight: bold;">Approved by the<br/>Utah Division of<br/>Oil, Gas and Mining</p> <p style="color: red; font-weight: bold;">Date: <u>11/14/2011</u></p> <p style="color: red; font-weight: bold;">By: <u><i>Dark K. Quist</i></u></p>   |  |   |
| <b>NAME (PLEASE PRINT)</b><br>Craig Starkey  | <b>PHONE NUMBER</b><br>505 326-3753  | <b>TITLE</b><br>Permitting                            |
| <b>SIGNATURE</b><br>N/A  |  | <b>DATE</b><br>11/10/2011                             |

- Spot 200 gallons 15% NE-FE HCl from 5820' up to 5695'. NE is an emulsion inhibitor, FE is acetic acid. Make sure spot is balanced since there is so much of it.
- Run cement bond log to check cement quality, find cement top and get correlation log to open hole logs.
- Use 4" guns to perforate Honaker Trail with 4 JSPF 90 deg phase over 5790'-5798' & 5801'-5804' (52 shots). Please shoot top shot and work down. Check fluid level differences between runs.
- Frac Honaker Trail down 3 1/2" tubing with 65 quality nitrogen foamed linear gelled 2% KCl water with 50,000# 20/40 mesh white sand at 35 BPM foam rate. Get ISIP, 5min, 10min & 15min shutin pressures.
- Clean up well until there is no sand production.
- Flow test well and report results.

|  |  |   |
|--|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  |  | <b>FORM 9</b>   |
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|  |  | <b>7. UNIT or CA AGREEMENT NAME:</b>                  |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>UCOLO 2                                 |   |
| <b>2. NAME OF OPERATOR:</b><br>D J SIMMONS, INC  | <b>9. API NUMBER:</b><br>43037308700000                                    |   |
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|  |  | <b>STATE:</b><br>UTAH                                 |
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| <b>TYPE OF SUBMISSION</b>  | <b>TYPE OF ACTION</b>  |   |
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:  | <input type="checkbox"/> ACIDIZE   |   |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:  | <input type="checkbox"/> ALTER CASING                                      |   |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:   | <input type="checkbox"/> CASING REPAIR                                     |   |
| <input checked="" type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS                          |   |
|  | <input type="checkbox"/> CHANGE TUBING                                     |   |
|  | <input type="checkbox"/> CHANGE WELL STATUS                                |   |
|  | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS                    |   |
|  | <input type="checkbox"/> DEEPEN  |   |
|  | <input type="checkbox"/> FRACTURE TREAT                                    |   |
|  | <input type="checkbox"/> OPERATOR CHANGE                                   |   |
|  | <input type="checkbox"/> PLUG AND ABANDON                                  |   |
|  | <input type="checkbox"/> PRODUCTION START OR RESUME                        |   |
|  | <input type="checkbox"/> RECLAMATION OF WELL SITE                          |   |
|  | <input type="checkbox"/> REPERFORATE CURRENT FORMATION                     |   |
|  | <input type="checkbox"/> SIDETRACK TO REPAIR WELL                          |   |
|  | <input type="checkbox"/> TUBING REPAIR                                     |   |
|  | <input type="checkbox"/> VENT OR FLARE                                     |   |
|  | <input type="checkbox"/> WATER SHUTOFF                                     |   |
|  | <input type="checkbox"/> SI TA STATUS EXTENSION                            |   |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION                        |   |
|  | <input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/> |   |
| <b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b>  |  |   |
| <p style="font-size: 1.2em; margin: 0;">Accepted by the<br/>Utah Division of<br/>Oil, Gas and Mining<br/><b>FOR RECORD ONLY</b></p>  |  |   |
| <b>NAME (PLEASE PRINT)</b><br>Craig Starkey  | <b>PHONE NUMBER</b><br>505 326-3753  | <b>TITLE</b><br>Permitting                            |
| <b>SIGNATURE</b><br>N/A  | <b>DATE</b><br>11/22/2011  |   |



## Ucolo No. 2

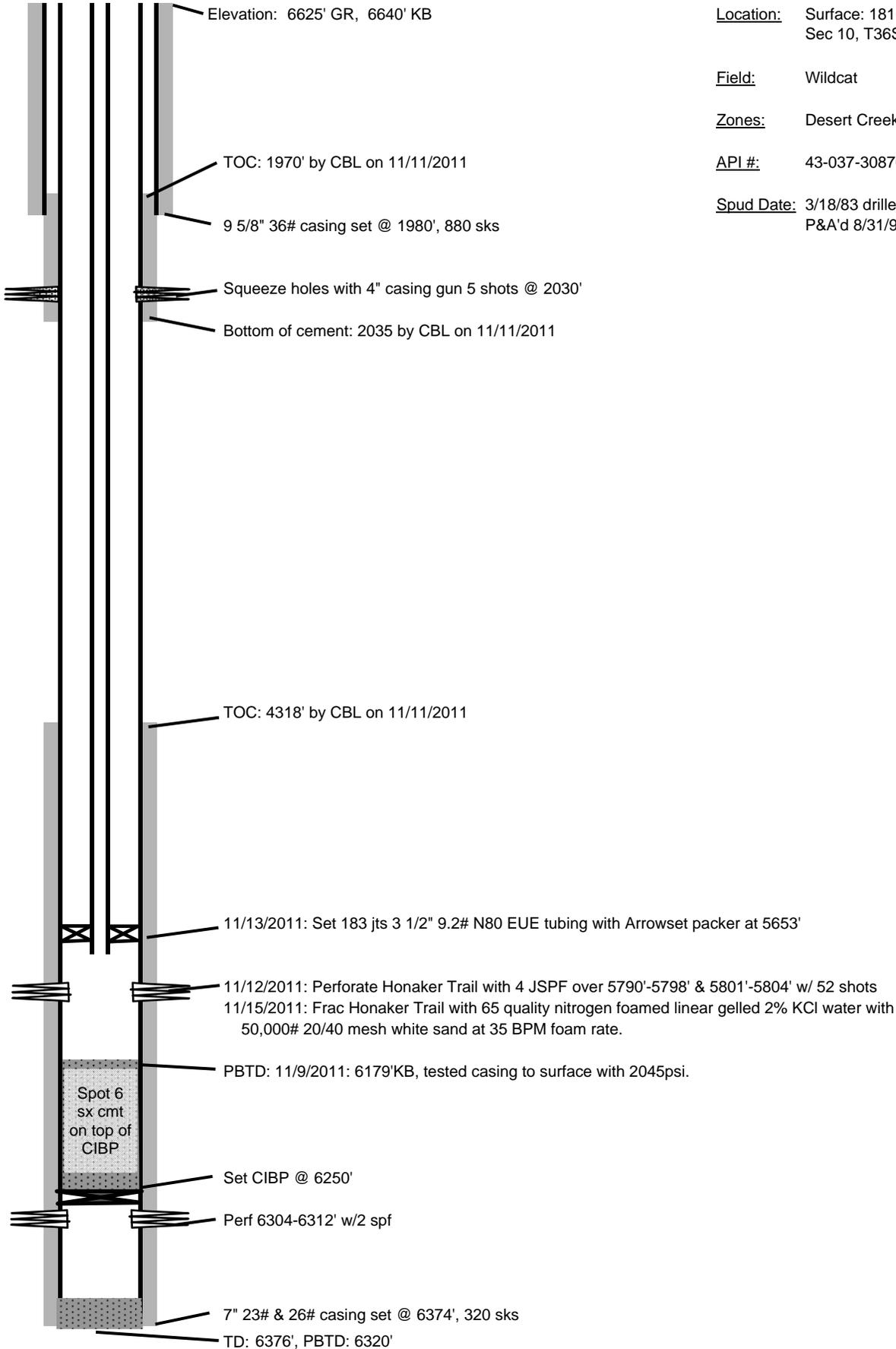
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Zones: Desert Creek 6304' - 6312'

API #: 43-037-30870

Spud Date: 3/18/83 drilled by Celcius Energy  
P&A'd 8/31/93



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| <b>COUNTY:</b><br>SAN JUAN   |   | <b>STATE:</b><br>UTAH                                 |
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| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>Date of Work Completion:<br>11/9/2011   | <input type="checkbox"/> APD EXTENSION<br>OTHER: <input style="width: 100px;" type="text"/>   |   |
| <input type="checkbox"/> SPUD REPORT<br>Date of Spud:  |   |   |
| <input type="checkbox"/> DRILLING REPORT<br>Report Date:   |   |   |
| <b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b><br>Attached is the procedure for the recompletion of the Ucolo #2 well to date.  |   |   |
| <b>Accepted by the<br/>         Utah Division of<br/>         Oil, Gas and Mining<br/>         FOR RECORD ONLY</b>   |   |   |
| <b>NAME (PLEASE PRINT)</b><br>Craig Starkey  | <b>PHONE NUMBER</b><br>505 326-3753   | <b>TITLE</b><br>Permitting                            |
| <b>SIGNATURE</b><br>N/A  | <b>DATE</b><br>11/10/2011   |   |

- 10-27-2011: Move in and rig up well service unit
- 10-28-2011: Drill cement from surface to 541'. No gas or oil under cement
- Trip in hole to tag next plug at 1844'. Pressure test casing to 2,000psi. Held solid.
- Drill cement, cement retainer and more cement to 2,037'. Squeeze holes were at 2030'.
- Trip in hole to 6,179'. Circulate hole clean.
- 11-09-2011: Test casing to 2,050psi. Held solid for 30 minutes.

|  |  |   |
|--|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  |  | <b>FORM 9</b>   |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>Fee   |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. |  | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>            |
|  |  | <b>7. UNIT or CA AGREEMENT NAME:</b>                    |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>UCOLO 2             |   |
| <b>2. NAME OF OPERATOR:</b><br>D J SIMMONS, INC  | <b>9. API NUMBER:</b><br>43037308700000                |   |
| <b>3. ADDRESS OF OPERATOR:</b><br>1009 RIDGEWAY PL, STE 200 , FARMINGTON, NM, 87401  | <b>PHONE NUMBER:</b><br>505 326-3753 Ext               | <b>9. FIELD and POOL or WILDCAT:</b><br>UNDESIGNATED    |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1810 FNL 1671 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: SWNE Section: 10 Township: 36.0S Range: 26.0E Meridian: S                                      | <b>COUNTY:</b><br>SAN JUAN                             |   |
|  |  | <b>STATE:</b><br>UTAH                                   |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  |  |   |
| <b>TYPE OF SUBMISSION</b>  | <b>TYPE OF ACTION</b>                                  |   |
| <input type="checkbox"/> NOTICE OF INTENT<br>Approximate date work will start:   | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>Date of Work Completion:  | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  |
| <input type="checkbox"/> SPUD REPORT<br>Date of Spud:  | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS |
| <input type="checkbox"/> DRILLING REPORT<br>Report Date:   | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 |
|  | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               |
|  | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE       |
|  | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       |
|  | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                  |
|  | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          |
|  |  | <input type="checkbox"/> CASING REPAIR                  |
|  |  | <input type="checkbox"/> CHANGE WELL NAME               |
|  |  | <input type="checkbox"/> CONVERT WELL TYPE              |
|  |  | <input type="checkbox"/> NEW CONSTRUCTION               |
|  |  | <input type="checkbox"/> PLUG BACK                      |
|  |  | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|  |  | <input type="checkbox"/> TEMPORARY ABANDON              |
|  |  | <input type="checkbox"/> WATER DISPOSAL                 |
|  |  | <input type="checkbox"/> APD EXTENSION                  |
|  |  | OTHER: <input type="text"/>                             |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.   |  |   |
| <b>Accepted by the<br/>Utah Division of<br/>Oil, Gas and Mining<br/>FOR RECORD ONLY</b>  |  |   |
| <b>NAME (PLEASE PRINT)</b><br>Craig Starkey  | <b>PHONE NUMBER</b><br>505 326-3753                    | <b>TITLE</b><br>Permitting                              |
| <b>SIGNATURE</b><br>N/A  |  | <b>DATE</b><br>11/22/2011                               |



## Ucolo No. 2

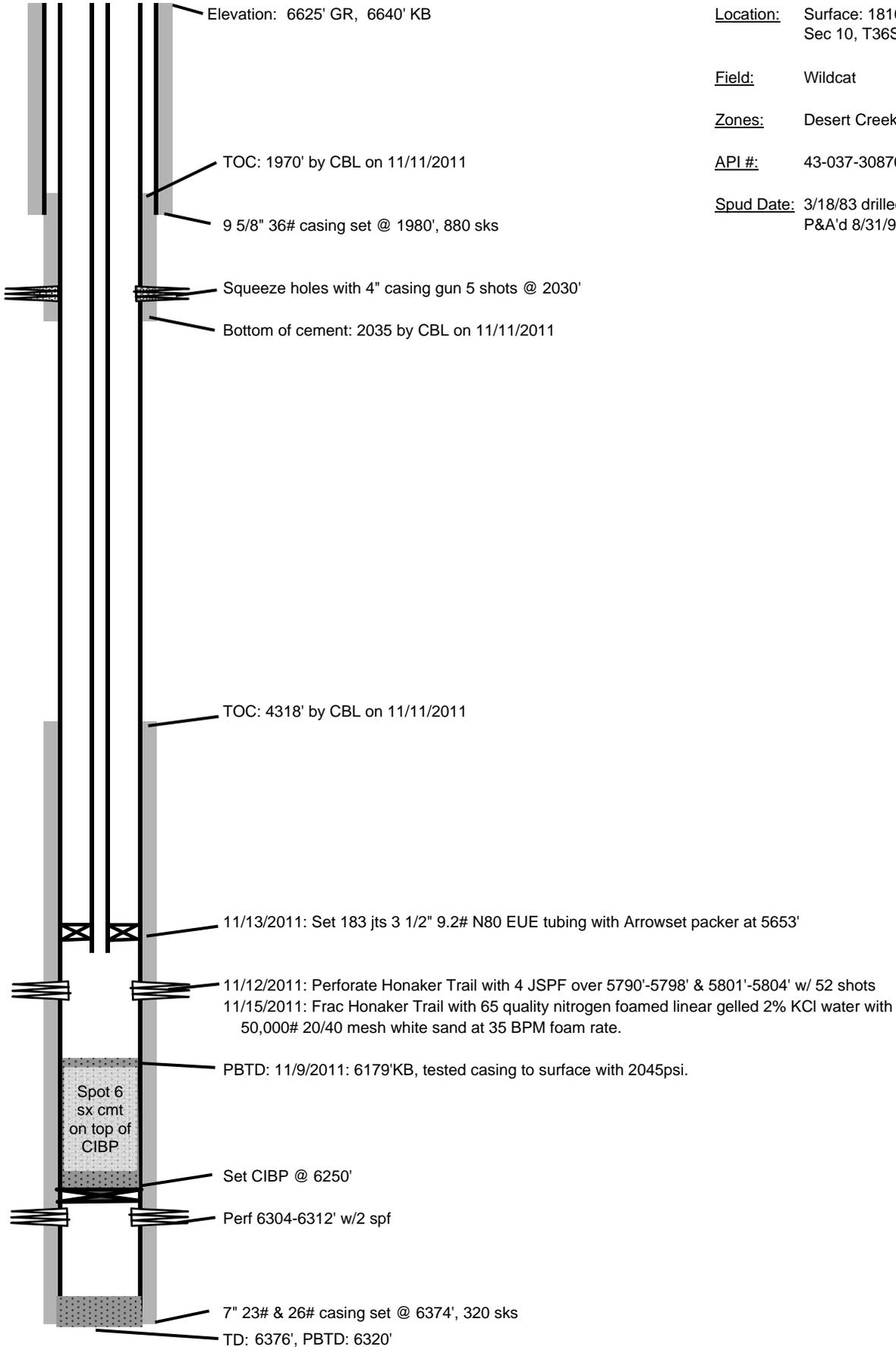
Location: Surface: 1810.80' FNL, 1671.31' FEL  
Sec 10, T36S, R26E, San Juan, Utah

Field: Wildcat

Zones: Desert Creek 6304' - 6312'

API #: 43-037-30870

Spud Date: 3/18/83 drilled by Celcius Energy  
P&A'd 8/31/93



|  |  |  |
|--|--|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  |  | <b>FORM 9</b>  |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>Fee  |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.   |  | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>   |
|  |  | <b>7. UNIT or CA AGREEMENT NAME:</b>   |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>UCOLO 2   |  |
| <b>2. NAME OF OPERATOR:</b><br>D J SIMMONS, INC  | <b>9. API NUMBER:</b><br>43037308700000  |  |
| <b>3. ADDRESS OF OPERATOR:</b><br>1009 RIDGEWAY PL, STE 200 , FARMINGTON, NM, 87401  | <b>PHONE NUMBER:</b><br>505 326-3753 Ext   | <b>9. FIELD and POOL or WILDCAT:</b><br>UNDESIGNATED   |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1810 FNL 1671 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: SWNE Section: 10 Township: 36.0S Range: 26.0E Meridian: S  | <b>COUNTY:</b><br>SAN JUAN   |  |
|  |  | <b>STATE:</b><br>UTAH  |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  |  |  |
| <b>TYPE OF SUBMISSION</b>  | <b>TYPE OF ACTION</b>  |  |
| <input type="checkbox"/> NOTICE OF INTENT<br>Approximate date work will start:   | <input checked="" type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input checked="" type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>Date of Work Completion:<br>11/22/2011  |  | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> APD EXTENSION<br>OTHER: <input style="width: 50px;" type="text"/>                 |
| <input type="checkbox"/> SPUD REPORT<br>Date of Spud:  |  |  |
| <input type="checkbox"/> DRILLING REPORT<br>Report Date:   |  |  |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.   |  |  |
| <p>• 11/11/2011: ran cement bond log. Top of cement is 4318', bottom of squeeze hole cement is 2035' and top of squeeze hole cement is 1970'. • 11/12/2011: perforate 4 JSPF over 5790'-5798' and 5801'-5804' (52 shots) • 11/15/2011: frac Honaker Trail with 65Q Nitrogen foamed xlinked gelled 2% KCl and propped with 50,000# 20/40 ms sand at 35 BPM. • Flow well to completion up. • Flow test well • Weekend shut in pressure to 1520psi. • Rig up 7 7/8" frack string as production tubing. Lay down 2 7/8" tubing. • Move rig off location.</p> |  |  |
| <b>NAME (PLEASE PRINT)</b><br>Chris S. Lopez   |  | <b>PHONE NUMBER</b><br>505 326-3753  |
| <b>SIGNATURE</b><br>N/A  |  | <b>TITLE</b><br>Regulatory Specialist  |
|  |  | <b>DATE</b><br>12/7/2011   |

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

|  |  |  |
|--|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>Fee</b>  |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                  |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____  |  | 7. UNIT or CA AGREEMENT NAME:                          |
| 2. NAME OF OPERATOR:<br><b>D. J. Simmons, Inc.</b>   |  | 8. WELL NAME and NUMBER:<br><b>Ucolo #2</b>            |
| 3. ADDRESS OF OPERATOR:<br><b>1009 Ridgeway Pl/Ste 200</b> CITY <b>Farmington</b> STATE <b>NM</b> ZIP <b>81301</b>   |  | 9. API NUMBER:<br><b>4303730870</b>                    |
| PHONE NUMBER:<br><b>(505) 326-3753</b>   |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>Undesignated</b> |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>1836' FNL &amp; 1799' FEL</b> <b>672128X</b> <b>37.673829</b><br><b>4171419Y</b> <b>-109.048197</b>   |  | COUNTY: <b>San Juan</b>                                |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 10 36S 26E S</b>  |  | STATE: <b>UTAH</b>                                     |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION   | TYPE OF ACTION  |   |   |
|--|---|---|---|
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____                     | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION                                  |
|  | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL                                       |
|  | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON  |
|  | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR  |
|  | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE  |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br><b>12/2/2011</b> | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL   |
|  | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF   |
|  | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: <u><b>Amend Surface Footages of Well</b></u> |
|  | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |   |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

D.J. Simmons, Inc. is amending the well location footages at the surface submitted with the original APD based upon discovering the well head at a different location than originally staked.

Attached is a Utah Well Location Plat showing the amended footage location of the Ucolo #2 Well.

**COPY SENT TO OPERATOR**

Date: 2-15-2012  
Initials: KS

**Accepted by the  
Utah Division of  
Oil, Gas and Mining**

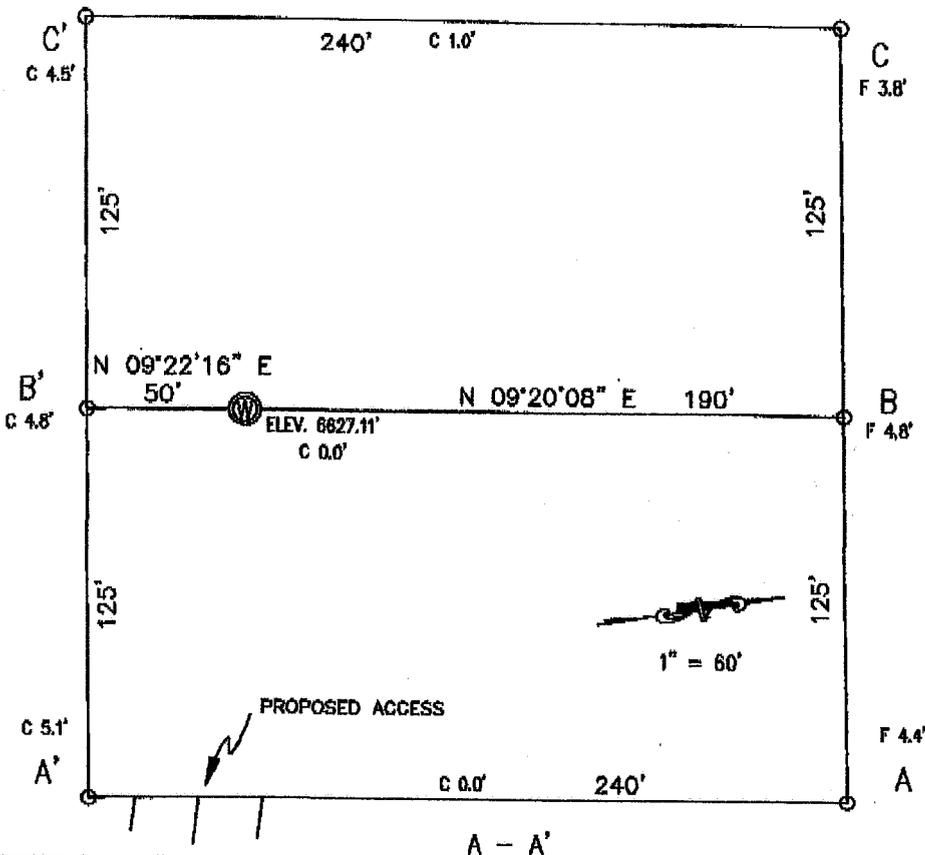
Date: 02-08-12  
By: [Signature]

**RECEIVED**  
**DEC 19 2011**  
DIV. OF OIL, GAS & MINING

|   |                                    |
|---|------------------------------------|
| NAME (PLEASE PRINT) <u>Chris S. Lopez</u> | TITLE <u>Regulatory Specialist</u> |
| SIGNATURE <u>Chris S. Lopez</u>           | DATE <u>12/14/2011</u>             |

(This space for State use only)





D.J. SIMMONS  
 OPERATOR  
 UCOLO 2  
 WELL NAME and NUMBER  
 1835.96' FNL 1799.40' FEL  
 FOOTAGES  

|            |            |      |
|------------|------------|------|
| 10         | T36S       | R28E |
| SEC.       | TWP.       | RGE. |
| N367.67382 | W109.04813 | B3   |
| LAT.       | LONG.      | NAD  |

 PDOP 1.8  
 GPS  
 SAN JUAN COUNTY UTAH STATE  
 DECEMBER 2, 2011  
 REVISED DATE:  
 OCTOBER 14, 2011  
 DATE  
 SCALE  
 Horiz. 1" = 50'  
 Vert. 1" = 30'

A - A'

|      |  |  |  |  |  |  |      |
|------|--|--|--|--|--|--|------|
| 6640 |  |  |  |  |  |  |      |
| 6630 |  |  |  |  |  |  |      |
| 6620 |  |  |  |  |  |  | 6626 |
| 6610 |  |  |  |  |  |  |      |
| 6600 |  |  |  |  |  |  |      |

B - B'

|      |  |  |  |  |  |  |      |
|------|--|--|--|--|--|--|------|
| 6640 |  |  |  |  |  |  |      |
| 6630 |  |  |  |  |  |  |      |
| 6620 |  |  |  |  |  |  | 6626 |
| 6610 |  |  |  |  |  |  |      |
| 6600 |  |  |  |  |  |  |      |

C - C'

|      |  |  |  |  |  |  |      |
|------|--|--|--|--|--|--|------|
| 6640 |  |  |  |  |  |  |      |
| 6630 |  |  |  |  |  |  |      |
| 6620 |  |  |  |  |  |  | 6626 |
| 6610 |  |  |  |  |  |  |      |
| 6600 |  |  |  |  |  |  |      |

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_  
 b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**D. J. Simmons, Inc.**

3. ADDRESS OF OPERATOR: **1009 Ridgeway Pl/St 200** CITY **Farmington** STATE **NM** ZIP **81301** PHONE NUMBER: **(505) 326-3753**

4. LOCATION OF WELL (FOOTAGES)  
 AT SURFACE: **1836' FNL & 1799' FEL**  
 AT TOP PRODUCING INTERVAL REPORTED BELOW: **1836' FNL & 1799' FEL**  
 AT TOTAL DEPTH: **1836' FNL & 1799' FEL**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**Fee**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:  
**Ucolo #2**

9. API NUMBER:  
**4303730870**

10. FIELD AND POOL, OR WILDCAT  
**Undesignated**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**SWNE 10 36S 26E S**

12. COUNTY **San Juan** 13. STATE **UTAH**

14. DATE SPUDED: **3/18/1983** 15. DATE T.D. REACHED: 16. DATE COMPLETED: **11/22/2011** ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
**6625' GR, 6640' KB**

18. TOTAL DEPTH: MD **6,376** TVD 19. PLUG BACK T.D.: MD **6,179** TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* **One**

21. DEPTH BRIDGE MD **6,250** TVD PLUG SET:

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**CBL**

23. WAS WELL CORED? NO  YES  (Submit analysis)  
 WAS DST RUN? NO  YES  (Submit report)  
 DIRECTIONAL SURVEY? NO  YES  (Submit copy)

**24. CASING AND LINER RECORD (Report all strings set in well)**

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 12 1/4"   | 9 5/8" K55 | 36             | 0        | 1,980       |                      | "C" 880                    | 188                 | 6625          | NA            |
| 8 3/4"    | 7 K55      | 23, 26         | 0        | 6,374       |                      | "C" 320                    | 68                  | 4318          | NA            |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |

**25. TUBING RECORD**

| SIZE   | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 3 1/2" | 5,653          | 5,653           |      |                |                 |      |                |                 |

**26. PRODUCING INTERVALS**

**27. PERFORATION RECORD**

| FORMATION NAME    | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS   |
|-------------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|--|
| (A) Honaker Trail | 4,600    | 5,998       | 4,600     | 5,998        | 5,790 5,804             | 0.38 | 52        | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| (B)               |          |             |           |              |                         |      |           | Open <input type="checkbox"/> Squeezed <input type="checkbox"/>            |
| (C)               |          |             |           |              |                         |      |           | Open <input type="checkbox"/> Squeezed <input type="checkbox"/>            |
| (D)               |          |             |           |              |                         |      |           | Open <input type="checkbox"/> Squeezed <input type="checkbox"/>            |

**28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.**

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL  |
|----------------|--|
| 5790-5804      | 65 Q N2 foamed x link 2% KCL w/ 50,000 #20/40 at 35 BPM 524 BBL/load |
|                |  |
|                |  |

**29. ENCLOSED ATTACHMENTS:**

**30. WELL STATUS:**

ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: Well Sketch

**Producing**

**RECEIVED**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

|                                    |                          |                     |                          |                    |                   |                           |                          |
|------------------------------------|--------------------------|---------------------|--------------------------|--------------------|-------------------|---------------------------|--------------------------|
| DATE FIRST PRODUCED:<br>11/23/2011 | TEST DATE:<br>11/22/2011 | HOURS TESTED:<br>24 | TEST PRODUCTION RATES: → | OIL - BBL:<br>0    | GAS - MCF:<br>325 | WATER - BBL:<br>0         | PROD. METHOD:<br>Flow    |
| CHOKE SIZE:<br>8/64                | TBG. PRESS.<br>850       | CSG. PRESS.<br>0    | API GRAVITY              | BTU - GAS<br>1,058 | GAS/OIL RATIO     | 24 HR PRODUCTION RATES: → | INTERVAL STATUS:<br>Prod |

INTERVAL B (As shown in item #26)

|                      |             |               |                          |            |               |                           |                  |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE:  | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF:    | WATER - BBL:              | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS.   | API GRAVITY              | BTU - GAS  | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

INTERVAL C (As shown in item #26)

|                      |             |               |                          |            |               |                           |                  |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE:  | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF:    | WATER - BBL:              | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS.   | API GRAVITY              | BTU - GAS  | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

INTERVAL D (As shown in item #26)

|                      |             |               |                          |            |               |                           |                  |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE:  | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF:    | WATER - BBL:              | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS.   | API GRAVITY              | BTU - GAS  | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name              | Top (Measured Depth) |
|-----------|----------|-------------|------------------------------|-------------------|----------------------|
|           |          |             |                              | Honaker Trail     | 4,600                |
|           |          |             |                              | Upper Ismay       | 5,998                |
|           |          |             |                              | Lower Ismay Shale | 6,043                |
|           |          |             |                              | Lower Ismay       | 6,131                |

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Chris S. Lopez

TITLE Regulatory Specialist

SIGNATURE Chris S. Lopez

DATE 12/14/2011

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340  
Fax: 801-359-3940



## Ucolo No. 2

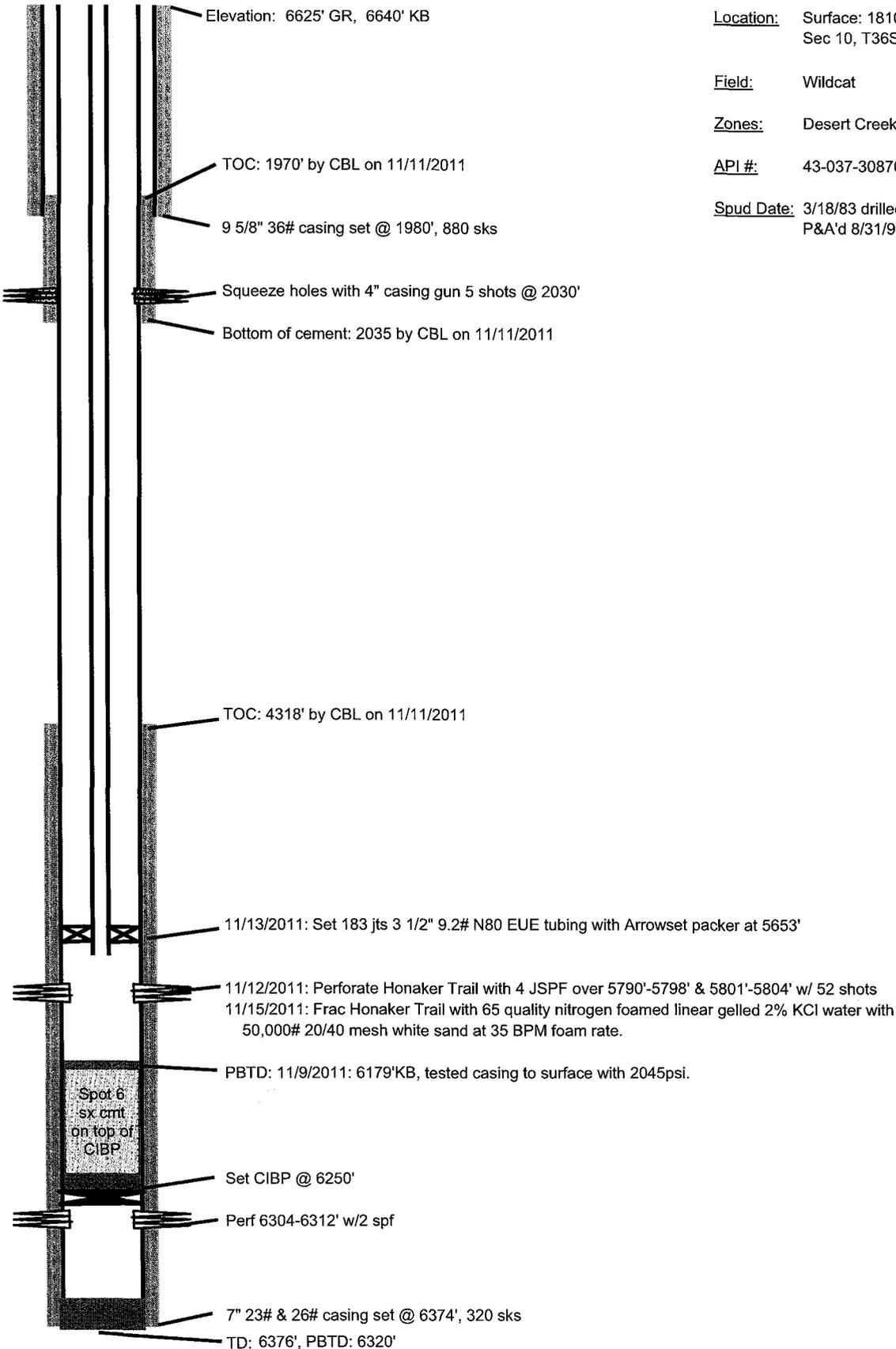
Location: Surface: 1810.80' FNL, 1671.31' FEL  
Sec 10, T36S, R26E, San Juan, Utah

Field: Wildcat

Zones: Desert Creek 6304' - 6312'

API #: 43-037-30870

Spud Date: 3/18/83 drilled by Celcius Energy  
P&A'd 8/31/93



Drawing Not to Scale

Laura Tucker  
11/22/2011



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

43-037-30870  
10365262

February 8, 2016

Certified Mail: 7013 2250 0000 2310 3705

Bank of Oklahoma  
International Banking Center  
One Williams Center, 15th Floor  
Tulsa, OK 74192

**SUBJECT: Claim Against Letter of Credit BOK08SDF04665 Issued by Bank of Oklahoma, as Surety on Behalf of D J Simmons, Inc, as Principal**

To Whom It May Concern:

This letter serves as a claim against the referenced Letter of Credit above by the Utah Division of Oil, Gas and Mining ("Division"). D J Simmons, Inc., is the operator of record for the UCOLO 2 Well (API 43-037-30870) ("the well"). D J Simmons, Inc., has defaulted on conditions set forth in the referenced bond as follows: (bond copy is enclosed)

"NOW THEREFORE, if the above bound principal shall comply with all of the provisions of the laws of this State, and the rules and regulations and order of the Division of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging of said well(s), and filing with the Division of the State, all notices and records required by said office, then this obligation is void, otherwise the same shall be in full force and effect."

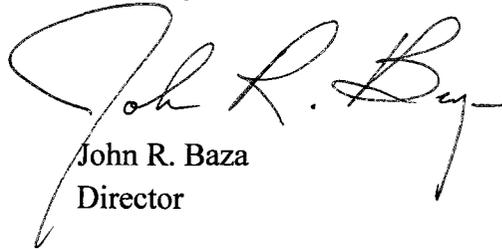
The Utah Division of Oil, Gas and Mining ("Division") has ordered the Letter of Credit be claimed to resolve the matter. The Division therefore requests Bank of Oklahoma to surrender the Letter of Credit along with any interest payable to the "State of Utah, Division of Oil, Gas and Mining" to plug the well and reclaim the well location. Upon receipt of certified funds, Bank of Oklahoma is hereby relieved of responsibility to protect the funds for the Division.



Page Two  
Bank of Oklahoma  
February 8, 2016

Due to the presence of potential environmental hazards at the well site, the Division appreciates your prompt attention to this matter. If you have any questions please contact Josh Payne, Compliance Manager at (801) 538-5314 or John Rogers, Associate Director-Oil and Gas Program at (801)-538-5349.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza". The signature is fluid and cursive, with a large initial "J" and "B".

John R. Baza  
Director

JRB/jr/rt/rm  
Enclosure (1)

CC: D J Simmons, Inc.  
Paula Dupin-Zahn, DOGM Accounting (via State email)  
Steve Alder, Attorney General (via State email)  
Josh Payne (via State email)  
John Rogers (via State email)  
Bond File  
Well File